Manitoba

Annual Report 2001 - 2002

Rapport annuel 2001 - 2002

Intergovernmental Affairs

Affaires intergouvernementales

Conservation Districts
of Manitoba

Districts de conservation
du Manitoba

MINISTER OF
INTERGOVERNMENTAL AFFAIRS

Room 301
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
General Office: (204) 945-3788
Fax: (204) 945-1383

September 10, 2002

The Honourable Peter Liba
Lieutenant Governor of Manitoba
Government House
200 Kennedy Street
Winnipeg MB R3C 1S4

Your Honour:

It is my pleasure to present to you The Annual Report of the Conservation Districts of Manitoba for the fiscal year ending March 31, 2002 together with the audited financial statements of the Districts for the same period.

Yours sincerely,

Jean Friesen

Jean Friesen
Minister

CONSERVATION DISTRICTS COMMISSION
Room 309, Legislative Building, 450 Broadway Avenue, Winnipeg, MB. R3C 0V8

103-00331/

August 27, 2002

Honourable Jean Friesen
Minister of Intergovernmental Affairs
Room 301, Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to present to you the Annual Report of the Conservation Districts of Manitoba for the fiscal year ending March 31, 2002.

It describes various programs in support of our economic and environmental resources, and demonstrates the continuing provincial commitment to the concept of sustainability.

Yours sincerely,

Marie Elliott
Chairperson

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Conservation Districts Program

The Manitoba Water Services Board

Box 38
Gladstone MB R0J 0T0
Phone: 204-385-6622
Fax: 204-385-6625

Box 22080
Brandon MB R7A 6Y9
Phone: 204-726-6076
Fax: 204-726-6290

Commission:

Marie Elliott
Chairperson
Deputy Minister
Manitoba Intergovernmental Affairs

Norm Brandson
Vice Chairperson
Deputy Minister
Manitoba Conservation

Andrew Horosko
Deputy Minister
Manitoba Transportation

Don Zasada
Deputy Minister
Manitoba Agriculture and Food

Garry Brown[1]
Chairperson
Manitoba Conservation Districts Association

Albert Nabe
Association of Manitoba Municipalities

Albert Dohan
Citizen Appointee

Management:

R. Menon, P.Eng.
General Manager, M.W.S.B.
Phone: 204-726-6073
Email: dmenon@gov.mb.ca

Wayne Hildebrand
Manager
Conservation Districts Program
Phone: 204-385-6622
Email: whildebran@gov.mb.ca

Cheryl Brigden
Finance Officer
Phone: 204-726-6093
Email: cbrigden@gov.mb.ca

Phil Weiss
Senior Resource Planner
Phone: 204-726-6572
Email: pweiss@gov.mb.ca

1 Replaced Don Alexander

Conservation District Program

Foreword

The Conservation Districts Program operates under the authority of *The Conservation Districts Act*. The objectives of the Act are to provide for the conservation, control and prudent use of resources through the establishment of Conservation Districts and to protect the correlative rights of owners.

The Act provides for the creation of Conservation Districts (CDs) and requires the establishment of a Commission to oversee the activities of the Conservation Districts Boards. The Commission, in turn, reports to the Minister of Intergovernmental Affairs. The legislation also requires the preparation of an Annual Report, which will include: updates on the progress being made by each District in the implementation of their management plans; general remarks in respect to activities related to the establishment of new Districts; and the Auditor's Report for each District. The Manitoba Water Services Board is responsible for the day to day management of the Program.

The Province provides annual funding to assist local Conservation Districts Boards. The provincial grants covers up to 75% of the cost of District Programs. In addition, the Districts receive funding through municipal grants and levies and from local landowners. Other sources of funds come from agencies such as Ducks Unlimited Canada and Prairie Farm Rehabilitation Administration (PFRA), as well as grants from many other Governmental and non governmental agencies. Provincial funding (grants) for the CDs are provided by the Department of Intergovernmental Affairs. Other Provincial Departments, such as Conservation, Agriculture and Food, Culture, Heritage and Tourism also provide grants for specific projects.

Each Conservation District is required to prepare an integrated resource management plan. Through this process, each District is able to establish a long-term vision, set goals

Programme des Districts de conservation

Avant-propos

Le Programme des Districts de conservation existe en vertu de la *Loi sur les Districts de conservation*. La *Loi* a pour objet de prévoir la conservation, le contrôle et l'emploi judicieux des ressources par l'établissement des Districts de conservation, ainsi que de protéger les droits des propriétaires en ces matières.

La *Loi* prévoit la création de Districts de conservation et exige la mise sur pied d'une Commission chargée de superviser les activités des conseils des Districts de conservation. Cette Commission doit à son tour rendre des comptes au ministre des Affaires intergouvernementales. La *Loi* exige également la préparation d'un rapport annuel comprenant les éléments suivants : mises à jour concernant la mise en œuvre des plans de gestion dans chaque District; remarques générales sur les activités liées à la mise sur pied de nouveaux Districts; rapport du vérificateur provincial pour chaque District. La Commission des services d'approvisionnement en eau du Manitoba est responsable de la gestion quotidienne du Programme.

Pour aider les conseils des Districts de conservation, le gouvernement provincial accorde chaque année des subventions pouvant atteindre 75 % du coût des Programmes des Districts. Les Districts reçoivent un financement supplémentaire sous forme de subventions municipales et de redevances payées par les propriétaires fonciers de leur région. Les autres sources de financement comprennent les contributions d'organismes coopératifs tels que Canards illimités Canada et l'Administration du rétablissement agricole des prairies (ARAP), ainsi que des subventions accordées par de nombreux autres organismes publics et privés. Le financement provincial (les subventions) accordé aux Districts de conservation est versé par le ministère des Affaires intergouvernementales. D'autres ministères provinciaux, comme les ministères de la Conservation, de l'Agriculture et de

and produce a 5-year Program and operating budget. The Intermountain and Upper Assiniboine River Conservation Districts completed their management plans during the 2001-02 fiscal year.

Four of the 16 CDs are responsible for the agricultural drainage and crossings systems within their Water Management Mandate. The Province approved special crossing infrastructure funding of $0.5M in 2001-02, to replace and/or remove the aging infrastructure.

Program Expansions

Three new CDs joined the Program in 2001-02, namely, La Salle Redboine, Mid Assiniboine River and Seine Rat River Conservation Districts. In total there are 16 CDs in Manitoba, covering 70% of Agro Manitoba and includes more than 135 municipalities, cities, towns and villages.

Expansions are being considered for the Little Saskatchewan River Conservation District to include the Rural Municipality of Harrison and the Town of Rapid City. The Rural Municipality of Wallace has requested approval to join both the Upper Assiniboine River and West Souris River Conservation Districts.

l'Alimentation, et de la Culture, du Patrimoine et du Tourisme peuvent aussi verser des subventions pour des projets spéciaux.

Chaque District de conservation est tenu de préparer un plan de gestion des ressources. Cela lui permet d'établir une vision à long terme, de se fixer des objectifs et d'élaborer un Programme et un budget de fonctionnement sur cinq ans. Le District de conservation de la partie supérieure de la rivière Assiniboine et celui d'Intermountain ont terminé la conception de leur plan de gestion durant l'exercice financier 2001-2002.

Quatre des 16 Districts de conservation sont responsables du drainage agricole et des voies de passage dans le cadre de leur mandat de gestion de l'eau. Le gouvernement provincial a approuvé une subvention spéciale de 500 000 $ en 2001-2002, dans le but de remplacer ou de retirer les infrastructures en mauvais état.

Expansion du Programme

Trois nouveaux Districts ont été créés dans le cadre du Programme, à savoir les Districts de conservation de La Salle Redboine, de la partie médiane de la rivière Assiniboine, et des rivières Seine et aux Rats. Il y a au total 16 Districts de conservation au Manitoba, couvrant plus de 70 % du territoire agricole du Manitoba et comprenant plus de 135 municipalités, villes et villages.

De plus, le District de conservation de la rivière Little Saskatchewan pourrait prendre de l'expansion et la municipalité rurale de Harrison ainsi que la ville de Rapid City pourraient s'y joindre. La municipalité rurale de Wallace a présenté une demande pour se joindre aux Districts de la partie supérieure de la rivière Assiniboine et de l'ouest de la rivière Souris.

Other Areas of Interest

During the year, 28 municipalities requested proposals to form CDs. The areas of interest are in the North East Agassiz, North East Interlake and Plum River Watersheds. Meetings were held with the municipal groups. Other areas expressing interest in forming new CDs are the municipalities in the Joubert, Netley-Grassmere, Rat and Seine Watersheds.

As environmental awareness gains momentum and governments, industry and non government organizations begin to promote, encourage and adopt the idea of sustainable development, the Districts will be recognized as leaders in sustainable resource management. Indeed, many resource interest groups now recognize CDs as leaders in integrated watershed based management and see them as ideal organizations through which to implement co-operative resource ventures.

Autres sujets d'intérêt

Au cours de l'année, 28 municipalités ont présenté des demandes de propositions en vue de former des Districts de conservation. Les régions intéressées se trouvent dans les bassins versants de North East Agassiz, du nord-est d'Entre-les-Lacs et de la rivière aux Prunes. Des réunions ont eu lieu avec les différents groupes municipaux. D'autres municipalités ont exprimé un intérêt envers la formation de nouveaux Districts de conservation, entre autres les municipalités se trouvant dans les bassins versants du ruisseau Joubert, des ruisseaux Netley et Grassmere; de la rivière aux Rats et de la rivière Seine.

Étant donné que les préoccupations environnementales ne cessent de gagner du terrain et que les gouvernements, les entreprises et les organismes non gouvernementaux commencent à promouvoir, encourager et adopter l'idée du développement durable, les Districts joueront un rôle de leader dans la gestion durable des ressources. De nombreux groupes d'intérêts dans le secteur des ressources naturelles estiment que les Districts de conservation jouent un rôle de premier plan dans la gestion intégrée des bassins versants et ils les considèrent comme des organismes de choix pour mettre en œuvre des projets coopératifs de gestion des ressources.

Program Activities

In 2001-02, the CD Program expended $3.1M toward land and water stewardship Programming. In addition $0.5M was provided to 3 CDs for upgrading the drainage crossing infrastructures. The Program involves over 500 District and Sub-District Members, employing approximately 100 full time and part time employees.

With three levels of funding (Provincial, local and external), the following is a summary of activities and/or accomplishments for the fiscal year 2001-02:

	2000-01	2001-02
• Forage Seeded	17,457 ha	14,054 ha
• Drains Maintained	1,233 km	1,686 km
• Grassed Waterways	18 km	35 km
• Gullies Repaired	24 projects	15 projects
• Education Program	72 schools	87 schools
• Crossings Repaired/Replaced	208 crossings	130 crossings
• Trees Planted	83,717 trees	63,632 trees
• Water Storage	45 projects	50 projects
• Wells Sealed	212 projects	261 projects
• Fisheries Projects	21 projects	16 projects
• Wildlife/Habitat Projects	47 projects	82 projects
• Watershed Plans	8	10
• Stream/Creek Rehabilitation and Stabilization	20 projects	36 projects
• Planned Grazing	Not available	2,114 ha
• Watering Systems	21 units	26 units
• Livestock Crossings/Access Ramps	21 projects	31 projects
• Recreation/Tourism	2 sites	14 sites
• Conservation Tillage	Not available	2,139 ha
• Winter Cereals	400 ha	1,327 ha
• Tours/Demonstrations/Extensions	30	39

Activités du Programme

En 2001-2002, le Programme des Districts de conservation a consacré 3,1 millions de dollars aux Programmes de gestion des eaux et d'aménagement des terres. De plus, 500 000 dollars ont été versés à trois Districts de conservation pour l'amélioration des voies de passage de l'infrastructure de drainage. Le Programme rassemble plus de 500 membres des Districts et des sous-Districts et emploie une centaine de personnes à temps plein et à temps partiel.

Voici un résumé des activités et réalisations accomplies au cours de l'exercice 2001-02 grâce aux trois niveaux de financement (provincial, local et externe) :

	2000-01	2001-02
• Plantation de graines fourragères	17 457 ha	14 054 ha
• Entretien des canaux de drainage	1 233 km	1,686 km
• Traçage de voies d'eau gazonnées	18 km	35 km
• Restauration des ravines	24 projets	15 projets
• Programme éducatif	72 écoles	87 écoles
• Réparation et remplacement des voies de passage	208 voies de passage	130 voies de passage
• Plantation d'arbres	83 717 arbres	63 632 arbres
• Emmagasinement des eaux	45 projets	50 projets
• Imperméabilisation des puits	212 projets	261 projets
• Pisciculture	21 projets	16 projets
• Faune et habitat naturel	47 projets	82 projets
• Aménagement hydrographique	8	10
• Réhabilitation et stabilisation des ruisseaux	20 projets	36 projets
• Planification de pacages	s/o	2 114 ha
• Systèmes d'arrosage	21 unités	26 unités
• Voies de passages et rampes d'accès pour le bétail	21 projets	31 projets
• Tourisme et loisirs	2 sites	14 sites
• Travail de conservation du sol	s/o	2 139 ha
• Cultures céréalières d'hiver	400 ha	1 327 ha
• Tournées et expositions	30	39

Conservation District Grants
Subventions aux Districts de conservation

Up to 75% of the costs of Conservation Districts Programs are funded by Provincial grants. The grants are provided in support of local District Programs such as drainage maintenance and rehabilitation, soil conservation, water storage, wildlife habitat, public education, administration and a variety of other resource conservation Programs.

Les subventions provinciales couvrent jusqu'à 75 % du coût des Programmes des Districts de conservation. Ces subventions sont versées pour aider les Districts locaux à mettre en œuvre leurs Programmes, notamment le drainage, l'entretien et la réhabilitation, la préservation du sol, l'emmagasinement des eaux, la protection de l'habitat faunique, l'éducation du public et l'administration, ainsi que toute une série de Programmes de conservation des ressources.

CONSERVATION DISTRICT GRANTS 2001-02
SUBVENTIONS AUX DISTRICTS DE CONSERVATION EN 2001-02

DISTRICTS/DISTRICTS	PROVINCIAL GRANTS	SUBVENTIONS PROVINCIALES
Alonsa/Alonsa	$230,000	230 000 $
Cooks Creek/Ruisseau Cooks	205,000	205 000 $
Intermountain/Intermountain	160,000	160 000 $
Kelsey/Kelsey	100,000	100 000 $
La Salle Redboine/ La Salle Redboine	41,000	41 000 $
Lake of the Prairies/Lac des Prairies	75,000	75 000 $
Little Saskatchewan River/ Rivière Little Saskatchewan	117,000	117 000 $
Mid Assiniboine River/ Partie médiane de la rivière Assiniboine	9,000	9 000 $
Pembina Valley/Vallée de la Pembina	250,000	250 000 $
Seine-Rat River//Rivières Seine et aux Rats	30,000	30 000 $
Tiger Hills/Tiger Hills	90,000	90 000 $
Turtle Mountain/Turtle Mountain	300,000	300 000 $
Turtle River/Rivière Turtle	400,000	400 000 $
Upper Assiniboine/Partie supérieure de la rivière Assiniboine	220,000	220 000 $
West Souris River/Ouest de la rivière Souris	200,000	200 000 $
Whitemud/Rivière Whitemud	670,000	670 000 $
TOTAL	$3,097,000	3 097 000 $

NOTE: - Please refer to the Audited Financial Statements in the appendices for details on local/external funding and total expenditures.

NOTA : Veuillez consulter les états financiers vérifiés en annexe pour des détails sur le financement local et externe et sur les dépenses totales.

Drainage Infrastructure Renewal Grants
Subventions aux travaux d'infrastructure de drainage

The Province recognizes that many of the drainage infrastructures are in need of replacement. In 2001-02, the following grants were provided to three CDs for replacement of aging bridges and crossings:

La province reconnaît que de nombreuses parties des l'infrastructure de drainage doivent être remplacées. En 2001-2002, les subventions suivantes ont été accordées à trois Districts de conservation pour le remplacement de ponts et de voies de passage en mauvais état.

Alonsa/Alonsa	$30,000	30 000 $
Cooks Creek/Ruisseau Cooks	195,000	195 000 $
Whitemud/Rivière Whitemud	275,000	275 000 $
TOTAL	$500,000	500 000 $

Alonsa Conservation District

Introduction

The Alonsa Conservation District (ACD), which is located along the western shores of Lake Manitoba, encompasses approximately 445,000 ha and lies within the Rural Municipalities of Alonsa and Lawrence. The District has been involved in Soil and Water Management Programs since its inception in 1978. Soil and water management decisions are based primarily on resource conservation and environmental awareness.

The landscape is a series of gentle undulations of ridges and sloughs. The major watersheds of Garrioch Creek, Sucker Creek, Hamlin Drain and Reedy Creek, in addition to several other waterways, drain into Lake Manitoba, Ebb & Flow Lake and Lonely Lake. District Programs include water and soil management, as well as fisheries, wildlife, forestry, historical, educational and recreational projects.

ALONSA CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#107 - Crane River/Hamlin Drain	Steve Kindzerski	Rorketon
#110 - Garrioch Creek	Leonard Ryznar	Alonsa
#113 - Lonely Lake/Ebb & Flow	Eldon Campbell	Kinosota
#157 - Weiden Drain	Steve Sliworsky	Rorketon
#160 - Kinosota Ridge	Clifford Elke	Amaranth
Provincial Appointee and Chairperson	Edward Zdan	Alonsa

Summary

The District's Programs included Water Conservation, Channel Maintenance, Crossing Repair and Replacement, Pickerel Spawning Project, Soils Conservation (Forage Seed), Forestry and Wildlife, Tree Planting, development of aboriginal historic sites, maintenance of existing trails and educational activities. These Programs reflect the Board's commitment to carry out its mandate of conserving, sustaining and preserving the diverse resources, which make the area unique, while keeping the local economy strong.

Funding support for the ACD is supplied by its main partner, Intergovernmental Affairs, Fisheries Enhancement Fund, Federal and Provincial Student Employment Programs such as the Green Team and the Career Placement, Manitoba Hydro and Culture, Heritage and Tourisim. As well, the District forms funding partnerships with local producers for Programs, which are based on a common interest in the environment and sustainable development.

TOTAL EXPENDITURE 2001-02

Activity	Expenditure
Water Management	$157,056
Channel Maintenance - Beavers	23,896
Crossing Repair	63,908
Surveying and Engineering	5,000
Well Capping Program	3,360
Soil Conservation	66,179
Wildlife	1,196
Fisheries	229
Forestry	563
Public Relations and Education	59,467
Administration	49,585
Depreciation	2,939
Alex Robertson Museum	6,762
Infrastructure Reserve Fund	13,334
Sustainable Development Innovations Fund (SDIF) - Project 1	26,912
Sustainable Development Innovations Fund - Project 2	13,709
TOTAL	$494,095

For further details see Auditor's Report, Appendix A.

Water Management

This District experienced some of the worst flooding in the Province, resulting in considerable damage and expense to its infrastructure. The District continued its focus on the upkeep and repair work of existing drains and projects. Beaver damage control and clearing several overgrown drains formed the major part of the Water Management Program. A significant amount of survey work was also carried out in the Rural Municipality of Lawrence. There have been several applications for Water Rights Licenses for a number of projects. Five Well Capping Projects were also completed. A SDIF Project that approved various water management initiatives including "beaver deceivers" control mechanisms and a 10-year beaver management cost estimate will be completed in the next fiscal year. Finally, a stakeholder meeting was held in January to identify problems in Sub-Districts #107 and #157. Suggested mitigation for these problems included expansion of the District to include the entire watershed.

Crossing Repair and Replacement

Regular repair and replacement of several aging crossings and the cost of repairing flood damaged crossings accounted for the expenditures under this Program. Numerous pipe crossings were replaced, with much of the work occurring in the northern Sub-Districts. As well, the District continued to add to its Infrastructure Reserve Fund and carried out several Special Crossing Infrastructure Projects.

Wildlife/Fisheries

The annual Pickerel Spawning Project could not be carried out this year due to the high water levels and fast flow washing away the capture nets. A Distribution Program of fry donated from other hatcheries took place.

A Bird Feeding Program was cost shared with the local birders club. The District also participated in the production of a video called "Animals Behaving Badly", which featured the local snake population and their habitat at the local school.

Recreation

No monies are directly for any new Capital Works. Funds were used for the maintenance of existing trails such as Bluff Creek Nature Trail, Bluff Creek Church, Jackpine Ridge Wayside Park, Portia Marsh Interpretive Centre, Bacon Ridge Complex, Amaranth Marsh Project, McKay Park, Lady Slipper Viewing Site, Ceremonial Site and the Thunderbird Nest.

Public Education

The official rededication of the Ceremonial Site, an aboriginal petroform, and the 120 visitors and dignitaries participating in the event, highlighted the year. Since then, numerous schools from throughout the province have visited that site as well as the Thunderbird Nest, Tobacco Rock and Manitou Island (for which the Province of Manitoba is named) at the Lake Manitoba Narrows. Considerable effort is expended to promote the District's attractions through various channels. Tours of the Portia Marsh Interpretive Center are conducted regularly and many visitors come to this site. Other educational sites include the Bacon Ridge Complex, Bluff Creek Nature Trail, Lady Slipper Viewing Site and Jackpine Ridge Wayside Park. Sites of special interest to aboriginal groups are the Thunderbird Nest Site, Tobacco Rock Site and the site of the aboriginal petroform called the Medicine Wheel. Self-guiding and educational signage are at all these sites. Perhaps one of the most novel of these projects is the restoration of the Bluff Creek Church, which now forms part of the attraction of the Bluff Creek Nature Trail. Detailed descriptions of the District's facilities and tour invitations have been sent to all the schools within the District, as well as schools that are within a reasonable travelling distance.

Maintenance and construction of projects continues mainly due to efforts of students hired under various Employment Programs, including the Summer Career Placement, the Green Team and the On-Site Program. The students come away with a sense of pride in the work they have done, landscaping skills they will carry with them throughout their lives and a new awareness of wildlife and nature. These experiences make them more receptive to the presentations given at the school by the Manager. The District also donates a number of magazine subscriptions to each of the schools, sponsors a Tree Planting Project with several grades and sponsors various awards for students. The Conservation District Award winners, Clayton and Janet Cooper of Amaranth Redi Mix, were recognized for their "above and beyond the call of duty" contribution to Spring Flood of 2001 efforts.

Heritage

The District continued to support the Alex Robertson Museum. This year, a total of $6,762 was spent on various projects, including maintenance of the Bluff Creek Church, a historical landmark. Monies raised locally or through external grants covered these expenditures.

Soil Management

Riparian Project included the expenditures of $8,816 for Off-Site Watering Projects. Another $11,591 was expended for a Water Retention Project at the Amaranth Marsh. The Soil Conservation Forage Initiative Program totaled $45,761, which is a reduction of approximately one third from last year. The Program has also dropped to approximately one third of the cost from the Programs onset. A small Tree Planting Project was also carried out.

Administration

The District administration costs, consisting of staff salaries and expenses and Board remuneration, have remained fairly constant during the past several years. Vehicle expenses and office expenditures reflect the increased cost of the expanded District.

Depreciation

Depreciation costs of the District's non-cost shared equipment amounted to $2,939.

Cooks Creek Conservation District

Introduction

Established in 1979, the Cooks Creek Conservation District (CCCD) lies east of Winnipeg and includes most of the Cooks Creek Watershed which discharges into the Red River and parts of the Carrs Creek and Lower Seine River basins, both of which flow into the Red River Floodway. Topography, soils and vegetation of the Watershed are distinguished by an eastern upland area and a central lowland area. The District's proximity to Winnipeg has led to an influx of commuter residents in the rural areas as well as in the communities of Anola, Cooks Creek, Dugald, Hazelridge, Oakbank, Ste. Genevieve and Richer. The 86,200 ha Conservation District includes most of the Rural Municipality of Springfield and small portions of the Municipalities of Taché, Ste. Anne, Brokenhead and Reynolds.

COOKS CREEK CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#9 - Lower Seine River	Ron Dubinsky	Dugald
#11 - Cooks Creek	Glenn Keilback	Beausejour
# 12 - Carrs Creek	George Sokal	Oakbank
Provincial Appointee	Vacant	
Board Chairperson	Garry Brown	Dugald

Summary

The summer and fall of 2001 was one of the wettest in recent memory and reinforced the importance of maintaining and upgrading of the District's drainage waterways. To that end, the District reconstructed 3 km and undertook earth cleanouts along 11 km of drains that included the Cooks Creek Diversion tributary drains. It also sprayed 176 km and mowed or brushed 59 km. Culvert crossings were upgraded at 11 locations and repairs were done at over 20 other sites. A preliminary study on water retention was ongoing in the upper watershed Salmon Lake marsh area east of Richer.

The District sealed 20 large and small diameter wells to protect groundwater quality and continued to collect surface water quality samples from 6 sites along Cooks Creek. The District sponsored the "On the Go" Conservation Education Program to visit four local schools. The District also continued to sponsor the annual Youth Speaking Contest, 4-H Public Speaking, Conservation Farm Family and the Manitoba Conservation Districts Association (MCDA) Conference.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Water Management	$188,584
Cooks Creek Diversion Tributary Drains	292,769
Other	17,666
Crossings	278,225
Public Education	13,931
Administration	91,751
Assets	4,675
TOTAL	$887,601

For further details please see Auditor's Report, Appendix B.

Water Management

Frequent and excessive summer and fall rains caused wet conditions that made construction difficult and contributed to the significant losses of agricultural crops. This reinforced the importance of on going maintenance and upgrading of the District's drainage waterways. District activities included the reconstruction of 2.0 km of the Oakwood Drain, 2.5 km of the Swede Drain and 1.8 km of the Centre Line Drain and 8.5 km of earth cleanouts. Spraying for cattails and brush along 150 km and mowing or brushing along 100 km was done. The Program also included beaver population control, removal of beaver dams and miscellaneous earthworks.

The District undertook a preliminary study of upper watershed retention in the Salmon Lake Marsh east of Richer. The study was cost shared with Manitoba Conservation and with the Municipalities of Ste. Anne, Reynolds, Brokenhead and Taché.

Cooks Creek Diversion Tributary Drains

The District undertook maintenance and upgrading of the drains within the Cooks Creek Diversion Project area. Maintenance activities included 2.5 km of earth cleanouts, 3 km of brushing and 75 km of cattail or brush spraying. Upgrading was undertaken on six crossings on various locations as well as repairs to three bridge crossings. Surveying and engineering was completed for the proposed diversion channel of the Oakbank Drain along the north of the Canadian Pacific Railway. The Tributary Drain Projects were funded entirely by the Rural Municipality of Springfield.

Water Quality

Twenty abandoned wells, consisting of 15 drilled and 5 dug wells, were sealed. Over 160 wells have been sealed since 1994 to help protect groundwater quality. Surface water quality samples continue to be taken at regular intervals from six locations along the Cooks Creek waterway.

Crossings

The Crossing Program consisted of the repair or replacement of culverts and bridges. New culverts were installed at five locations. The District also undertook repairs to culverts and floodgates at over 20 sites and made repairs to 5 bridges. The replacement and maintenance of crossings is a significant part of the management of the drainage waterway infrastructure.

Public Education

The District was pleased to sponsor the "On the Go" Program to visit Oak Hammock Marsh for four local schools. The District also sponsored trophies and participated in the Springfield 4-H Public Speaking Contest. One summer student was hired under the Green Team Program and one under the Summer Career Placement Program. The Conservation Farm Family award went to Louis and Pat Osiowy of Hazelridge. The District also contributed to the Manitoba Conservation District magazine. Board and Sub-District Members and staff attended the annual MCDA Conference in Brandon.

Administration

District office staff consisted of a Manager and Administrator. Administration also provided for office rent, office cleaning, office supplies, utilities, vehicle travel and remuneration costs for Board and Sub-District Committee Members.

Assets

The District purchased a used photocopier.

Intermountain Conservation District

Introduction

On July 15, 1997, the Intermountain Conservation District (IMCD) was officially established as Manitoba's ninth Conservation District. Nestled between the Riding Mountain National Park and the Duck Mountain Provincial Forest, the landscape of the District varies from steep forested escarpment to gentle sloping lakeshore agricultural land. Encompassing an area of nearly 7,200 km^2, the IMCD takes pride in being the Province's largest Conservation District.

Municipalities participating in the Conservation District include the Rural Municipalities of Dauphin, Gilbert Plains, Grandview, Ethelbert, Mossey River and Mountain South, the Villages of Winnipegosis and Ethelbert, the Towns of Gilbert Plains and Grandview and the City of Dauphin.

Concerns as to water management embody much of the area and continue to be the thread that binds the municipalities participating in the Conservation District Program. As such, many Programs and initiatives being implemented by the IMCD address the local water-related issues. The diversity of the local landscape, wildlife resources and scenic features within the District also create a variety of challenges and opportunities (recreational, educational and other) that are reflected in its Programing and priorities.

INTERMOUNTAIN CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#47 -Vermillion River	Boris Michaleski	Ashville
#48 - Wilson River	Mervin Mitchell	Grandview
#93 - Upper Valley River	Colin White	Grandview
#95 - Lower Valley	Syd Puchailo	Grandview
#102 - Fishing/Fork/Mossey	Jim Lytwyn	Winnipegosis
#103 - Garland/Point	Ron Kostyshyn	Ethelbert
#105 - Pine/Sclater/Duck	Albert Strilkiwski	Ethelbert
Provincial Appointee	Walter Mischuk	Grandview
Board Chairperson	Ernie Bayduza	Dauphin

Summary

Addressing issues of water management and soil conservation continues to be a priority for the IMCD, although tourism and wildlife habitat initiatives have allowed the District to expand its Program portfolio. New initiatives and ongoing promotional campaigns provided a breakthrough, in terms of increasing public awareness of the variety of opportunities available through the Conservation District Program. In fact, demonstration and promotion can be considered some of the most valuable activities undertaken throughout the past year.

The completion of its resource management plan and the initiation of watershed management plans have also outlined the direction and set new goals for IMCD Programming. The success enjoyed by IMCD is largely due to the many Program partnerships established with a variety of agencies and organizations as well as new innovations such as bioengineering techniques for the protection of the riparian areas.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Water Management	$33,456
Soil Conservation	61,159
Recreation and Tourism	415
Public Education	29,012
Project Support	28,184
Assets - Property and Equipment	1,608
Program Management	158,805
TOTAL	$312,639

For further details see Auditor's Report, Appendix C.

Water Management

This year marked a major step for the IMCD in terms of its Water Management Programming. With a general understanding of the local water management issues and 12 Distinct watersheds within its boundaries, it became evident that the IMCD had to begin to plan for the bigger picture. As such, with assistance from the Provincial Fisheries Branch, the Valley River Watershed Board was established and the first watershed management plan was initiated. Plans are also in place to begin the process of initiating a second watershed management plan and to investigate the feasibility of water retention at a sub-watershed level.

Projects aimed at addressing site-specific concerns also continued, with streambank stabilization again being a priority for the IMCD. Escarpmental flows, coupled with large amounts of precipitation and past land drainage activities continue to erode fragile streambanks and threaten valuable agricultural land, private and public infrastructure, water quality and aquatic habitat throughout many of the District watersheds. In response, the IMCD completed six Streambank Stabilization Projects using a combination of traditional rock riprap and bioengineering (vegetative/willow) techniques. In an unprecedented event, a Pilot Project was undertaken with Manitoba Agriculture Crown Lands Branch, among other partners, to determine the effectiveness of creek rehabilitation efforts to restore otherwise flooded and unproductive Crown Lands. The Project may in fact lead to further direct involvement by the Crown Lands Branch to ensure and enhance the productivity of similar Crown land parcels.

In response to community and landowner concerns, the IMCD, in partnership with the Provincial Fisheries Enhancement Initiative and the Dauphin Lake Advisory Board, undertook four Streambank Stabilization Projects in three of its seven Sub-Districts. The Federal Department of Fisheries and Oceans, along with the Canadian Coast Guards, were also new players on the scene and proved to be very cooperative and supportive of IMCD activities. Areas protected through the stabilization efforts varied from agricultural land, to municipal and provincial roads and bridges and to the City of Dauphin's

sewage effluent discharge site.

With ever-increasing concerns of water quality and livestock management along waterways, the IMCD was able to partner with Prairie Farm Rehabilitation Administration (PFRA), Manitoba Agriculture and Food and The Manitoba Water Services Board, to assist five producers achieve their Project goals. The CD was directly involved in the construction of three cattle crossings and two Riparian Fencing Projects. The IMCD also became a leader in promoting alternative means of livestock watering with the implementation of the Off-Stream Options for Livestock Watering Program.

There continues to be public interest in the Abandoned Well Program, with 16 abandoned wells being filled and sealed during the past year. The Program protects valuable groundwater resources from potential contamination, while protecting the landowner from the liability associated with these otherwise open abandoned wells. Since the Program's inception in 1999, 68 abandoned wells have been filled and sealed.

Soil Conservation

A shift in landowner attitude toward seasonal in-field water runs became apparent this past year, as for the first time since the IMCD's establishment, the construction of grassed waterways topped the list of priority actions undertaken by this District. The increasing local interest in this Program has been a trend observed in recent years, culminating with the construction of seven grassed waterways in 2001-02. The transformation of eroding in-field gullies to sloped, maintainable grassed waterways not only increases usable agricultural land, but also addresses concerns of continued erosion and downstream sedimentation.

Contrary to the increased participation in the IMCD's Grassed Waterway Program, the annual Forage Seed Assistance Program saw a significant decrease in the number of participants and total land seeded. Despite this decrease, nearly 1,214 ha of marginal and erosion-prone land was taken out of annual crop production and replaced with a permanent forage cover. Although a shift from grain and oil-seed production to increasing cattle production is viewed as an important step toward agricultural diversification, the IMCD continues to review Program criteria so as to target the Program to where it will achieve the greatest benefits.

The IMCD is the second District in the province to acquire a pasture pipeline plow providing local producers yet another option for livestock watering. Although only two Pasture Pipeline Projects were undertaken last summer, this Program holds enormous potential for this area and could prove to be invaluable during periods of drought.

Tree planting was again largely limited to community-based projects, although a number of small-scale plantings were also completed on private land.

Fish and Wildlife

The protection of riparian areas, the establishment of forages and improvements to surface water quality, as provided through other IMCD Programs, all contribute indirectly to the enhancement of fish and wildlife habitat, and as such, the IMCD is continuously making efforts to integrate wildlife habitat into its many existing Programs. Following the local interest in and success of the pool-and-riffle walleye spawning structures constructed by the IMCD in 2000-01, the IMCD assisted the Winnipegosis

and District Sportfishing Enhancement Group with the design and construction of similar structures along another important spawning run.

Tourism and Recreation

As indicated in the introduction, the diversity of landscape, wildlife and scenic features throughout the District provides the IMCD a number of opportunities to partner with local interest groups in developing and promoting tourism and recreation opportunities. In response to requests to assist in promoting water-based recreational opportunities along Lake Winnipegosis, the IMCD, in partnership with the Rural Municipality of Mossey River and the Winnipegosis and District Sportfishing Enhancement Group, developed a new recreational outlet by constructing a public boat launch facility in the lake area commonly referred to as Shumski Bay.

The floating dock at the Pleasant Valley Reservoir in the Rural Municipality of Grandview was again installed and maintained by the IMCD, providing a welcome recreational outlet for the local community and tourists alike. The IMCD also continued to support other local recreational and tourism related ventures through the provision of technical assistance, labour and equipment.

Public Education

The completion and approval of the IMCD Resource Management Plan marked the culmination of more than one year's efforts in achieving this goal. The final plan embodies the discussion of a seemingly endless series of public presentations, in-house meetings and countless drafts, but clearly outlines IMCD policies and commitments, setting out a 5 year strategy and a 20 year vision for the Conservation District. The document was then distributed to the IMCD's many partners and to individuals and municipal councils throughout the District and will prove to be an invaluable reference for years to come.

Promoting conservation to local youth, area landowners and communities, continues to be a priority for the District. This past year saw a number of IMCD Projects and initiatives promoted through tours and demonstration days. In 2001-02, the IMCD had the pleasure of hosting the annual Manitoba Conservation Districts Association (MCDA) tour that provided the IMCD the opportunity to showcase its Programs and Projects to a provincial audience. The IMCD also captured provincial attention for its innovative Off-Stream Options for Livestock Watering Program. The demonstration and trial Program promotes alternative livestock watering systems and provides interested landowners the opportunity to trial a variety of different watering systems, so that they may then be able to make informed decisions as to the type of watering system that could be incorporated into their own livestock operation. Three different demonstration tours were held showcasing these watering systems. A successful pasture pipeline demonstration day was also held, again making producers aware of yet another option for livestock watering.

The IMCD also received a lot of exposure as a result of a group of Grade 6 students from a Dauphin area school representing the IMCD, being the winners of the first ever Youth Conservation Display Competition held in conjunction with the annual MCDA Conference. Other public promotional and educational activities included school presentations during National Wildlife Week and later as part of the annual PFRA Tree Program; the hosting of the 3rd annual IMCD Banquet; the establishment of a second berry tree demonstration site, and a host of appearances and presentations at other local events. Finally, in an effort to further promote the IMCD, its Programs and accomplishments, articles

were regularly printed in local newspapers and promotional newsletters were included with the Municipal Tax Notices and distributed to ratepayers throughout the District.

Project Support

Project support expenditures consist of all costs associated with the investigation and delivery of IMCD Programs on the landscape. These items include equipment operating and maintenance expenses, salaries of seasonal field staff, remuneration for Board or Sub-District Members and other costs incurred during the implementation of in field Programs and Projects.

Program Management

Program management expenditures consist of all administrative costs associated with ensuring the continued operation of the IMCD office, includes salaries and expenses of administrative staff; office supplies and operational expenses; office rental and utilities; legal, accounting and/or service fees.

Kelsey Conservation District

Introduction

On January 1, 1999, the Kelsey Conservation District (KCD) was established as Manitoba's 10th Conservation District. The District lies completely within the boundary of the Rural Municipality of Kelsey, including the Pasquia and Carrot River settlements, Rall's Island, Wanless and the Local Urban District of Cranberry Portage. KCD is the only District that is north of the 53rd parallel and Wanless and Cranberry Portage are both north of the 54th parallel. There are no established Sub-Districts and the total area of the District is approximately 900 km^2.

The District office is located in the Town of The Pas and is staffed by one Manager who oversees day-to-day operations, including Program delivery and administration. The Board of Directors represents approximately 2,750 residents from all regions within the Municipality and meets monthly to discuss the business of the District.

Priorities for the KCD include developing Programs that educate the public about prudent resource management, soil and water conservation practices and local decision making as a means to maintain a healthy rural landscape. The involvement of youth and the formation of sound partnerships are also important aspects of the District's presence in the community.

KELSEY CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

DISTRICT	CHAIRPERSON	ADDRESS
Wanless	Dan Davie	Wanless
Cranberry Portage	Dave Cupples	Cranberry Portage
Pasquia/Carrot River	Larry King	Pasquia
Provincial Appointee	Darwin Marshall	The Pas
Board Chairperson	Kathy Joyal	Rall's Island

Summary

The Board of KCD continues to focus on developing and delivering Programs around sustainable agriculture and riparian stabilization. Most of the Programs that are offered through the District have a direct link to improving and ensuring that water quality will continue to be improved into the future. Two of the communities within the District, that are north of the 54th parallel, Wanless and Cranberry Portage have very little agriculture and are based mainly on tourism. To this end Programs developed for these areas are directed at tourism and recreation. Working with and developing partnerships with outside agencies continues to be an ongoing priority for the Board.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Administration	$72,469
Public Education	11,976
Assets - Property and Equipment	9,485
Programs	37,273
TOTAL	$131,203

For further details see Auditor's report, Appendix D.

Administration

Expenditures for administration consisted of office rent, utilities, salaries, expenses and Board remuneration. The District incurs higher travel costs than other Districts due to time and distance requirements and is consistently evaluating its attendance at various meetings, seminars, etc.

Water Quality

This past year has seen several alternate watering projects, such as exclusion fencing and rational grazing, all that focus on improving water quality. Most of the projects that have been implemented under the water quality title are also being used as demonstration sites. A Water Quality Monitoring Program has been initiated in partnership with Keewatin Community College. As projects are delivered on the landscape water quality in local rivers will be improved over time. By having an ongoing Water Monitoring Program these improvements will be tracked. Ground water protection was addressed by sealing five abandoned wells and by shock chlorinating wells. A Shoreline Stabilization Project was completed that was threatening private dwellings in Cranberry Portage.

Soil Conservation

The Forage Assistance Program offers to producers an incentive to seed forages in erosion prone areas. Producers buy their own seed and apply to the District for a cost share. The Pasquia/Carrot River area saw 13 landowner's seed down 400 ha of erosion and salinity risk areas to forages. The Pasquia/Carrot River and Rall's Island areas are where the majority of forages are produced, with very little in Wanless and Cranberry Portage areas.

A Pilot Project was initiated by planting 3,000 trees. Uptake on this Program was good and will be continued into the next year.

Wildlife and Habitat Enhancement

Wildlife and habitat enhancement consisted of a cost shared Nest Box Program with DUC. Private landowners with both small and large acreage's that have suitable habitat to warrant the installation of nest boxes qualify for the Program. Agreements were signed with the landowner committing the landowner to maintaining the boxes and the habitat where the nest boxes were placed. The Keewatin Community College Eco-Librium Group was involved and installed several nest boxes. In addition to the Nest Box Program 25 bat boxes were constructed and were available to the public. Interest was strong and this Program will continue into next year.

Public Education

Education and extension are a priority for KCD and it is reflected in the Programs and commitment that it receives. A regular advertising campaign was ongoing in the local newspaper. Several days were spent in local schools discussing the importance of watershed management. The District was involved in tours that were given to producers looking at completed projects as well as identifying potential projects. The Conservation Farm Family, Phil and Myran Adams and son Justin, nominated by the District won the Innovative Farmer of the Year award at the annual Manitoba Conservation Districts Association Convention.

Assets

After analyzing the costs associated with using a private vehicle for District business it was determined by the Board that the purchase of a vehicle was justified. The District also purchased a pasture plow in partnership with external partners.

Recreation

In partnership with the Department of Fisheries and Oceans a new dock was installed in Cranberry Portage and the old dock removed.

La Salle Redboine Conservation District

Introduction

The La Salle Redboine Conservation District (LSRCD) was established in January 2002 as Manitoba's 16th Conservation District. The District has an estimated population of 36,800 and covers an approximate area of over 700,000 ha. It includes all or parts of the Rural Municipalities of Victoria, Dufferin, South Norfolk, Ritchot, Portage la Prairie, Macdonald, Grey, Cartier, the Villages of St. Claude and Treherne, Town of Carman and the City of Portage la Prairie. The LSRCD is based on eight watershed Sub-District Boards.

LA SALLE REBOINE CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#18 - Norquay Boyne	Roy Wood	Carman
#21 - Central La Salle	Leonard Arnal	Fannystelle
#22 - Lower La Salle	Rodney Burns	Starbuck
#24 - Upper La Salle	Claude Menard	Elie
#71 - Cypress River	David Green	Treherne
#100 - Long Lake	Terry Martin	Portage la Prairie
#100A - Lower Assiniboine	Marshall Piper	Cartier
#101 - Delta	Toby Trimble	Portage la Prairie
Board Chairperson	Doug Dobrowolski	Domain

Summary

The La Salle Redboine Conservation District used the 2001 year to open an office, hire staff and get municipal appointments to the various Sub-District committees. The Board and committees spent time discussing option for developing new Programs based on local resource issues identified by the community. The Board also developed a financial forecast for the 2002-03 fiscal year with Manitoba Intergovernmental Affairs.

The Board reviewed a number of options for an office location. The Rural Municipality of Victoria's proposal to have an office located in Holland was unanimously accepted by the Board.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Geographic Information System (GIS) Investigations	$30,000
Board Remuneration	10,000
TOTAL	$40,000

N.B. - Since the La Salle Redboine Conservation District began operating on January 30th, 2002, no audited financial statement is provided. An audited financial statement covering the first 14 months will be provided in the next Annual Report.

Programs

The Board will be consulting with area residents through Sub-District meetings in the upcoming months to set some Programs for the first year. Soil erosion, local water management, water quality, grazing management and public education have been identified as community resource issues for Board consideration.

The Board is consulting with neighbouring Conservation Districts for help to set new Programs. Forage seed assistance, saline soil management, tree planting, capping abandoned wells, riparian projects and water retention have been identified as possible new Programs for the Conservation District.

An overall integrated watershed management plan is proposed by the Board based on community input to set clear, precise goals and objectives for the District. The first step to this process is the development of terms of reference with help from Manitoba Intergovernmental Affairs.

Lake of the Prairies Conservation District

Introduction

The Lake of the Prairies Conservation District (LPCD) includes approximately 205, 000 ha extending from the Saskatchewan border west to Riding Mountain National Park and from the Lake of the Prairies south to the Village of Binscarth. The District was established as Manitoba's 12th Conservation District on January 1, 2001. The LPCD has a diverse landscape ranging from rolling topography in the north to low lying wetland areas in the south. Its principal landscape feature is the Assiniboine River, which runs along the western border of the District.

The District is divided into four Sub-Districts based on the drainage basins of the major rivers and creeks within the area. Twenty-two Sub-District Members act in an advisory capacity to the main Board with each Sub-District Committee Chairperson sitting on the Board. Since its inception, the Board has maintained representation from those Member councils not represented at the Board level to attend meetings as non-voting Members. Board and representatives meet monthly to discuss District business.

The area serves approximately 4,262 residents and consists of the Rural Municipalities of Russell, Shellmouth-Boulton and Silver Creek, the Town of Russell and the Village of Binscarth. The LPCD office is centrally located in Inglis and is staffed by a full time Manager, part time Financial Administrator and summer Conservation Technician.

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#79 - Silver Creek	Jim Rowland	Angusville
#92A - Assiniboine River	John Hunter	Dropmore
#92B - Shell River	Ron Turetsky	Shortdale
#92C - Thunder Creek	William Kuz	Russell
Board Chairperson	Gene Nerbas	Shellmouth

Summary

The LPCD undertook a number of Programming initiatives in the 2001-02 year including an Extended Cover Program, Abandoned Well Capping Program, Alternate Watering and Exclusion Fencing Program and Conservation Education. Other Programs, such as Beaver Management and an Aerial Photo/ Geographic Information System (GIS) Enhancement Service were also offered. The LPCD participated in a number of public education initiatives as well. Although no specific projects were conducted in this year, five projects (involving soil, water, fish, wildlife and forestry), three demonstration sites and three new types of District services were planned for the 2002-03 year. The Board has also considered and evaluated a number of other new initiatives throughout the year.

The District has determined public education as a priority for the current and next few years. Through Programming, demonstrations and extension activities, it aims to create awareness and education regarding conservation within the District. The Board maintains that such awareness and its power to influence decisions is of utmost importance. It is anticipated, however, that in the next few years expenditures may shift more towards larger Programs and Projects.

In addition to base funding from local Member councils and the bulk of funding from the Manitoba Intergovernmental Affairs, a number of contacts with external sources were sought to aid in providing the District with a greater variety of Programming and Project opportunities and technical assistance.

Having been incorporated in January 2001, the following is a 15-month audit, as its first year of operation was limited to the last quarter of the 2000-01 year.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Administration	$67,246
Programs	22,615
Public Education	24,665
Soil Programs	5,880
Wildlife/Fisheries	52
Landowner Programs	4,370
Assets	50,019
TOTAL	$174,847

For further details see Auditor's report, Appendix E.

Water Management

The LPCD was committed to offering an Abandoned Well Capping Program for the 2001-02 Program year. With assistance from Prairie Farm Rehabilitation Administration (PFRA), the District sponsored a demonstration in August that also featured PFRA's new pasture pipeline trencher. Subsequently, five wells were capped and a pasture pipeline trencher was purchased to be made available for rent this year.

The Alternate Watering and Exclusion Fencing Program details were finalized towards fall and one producer was assisted through this Program. In addition, staff worked with a producer to secure a high-profile alternative watering/rotational grazing demonstration site.

The Daneliuk Spring Project is a small educational water quality protection Project involving a natural spring within the District. Plans are to fence off the spring itself, create a mulched path, small bridge and detail the site with acknowledging and informational signage. These details were secured with the landowner.

The Board also reviewed the possibility of assisting with an existing small dam/seasonal Backflood Project, acquiring barley straw bales for use in a potential study and the purpose and feasibility of

becoming involved in creek rehabilitation.

Soil Conservation

Following the District's commitment to providing an Extended Cover Program (involving forage reimbursement, salinity barriers and a winter cereals incentive) and securing external funding through Ducks Unlimited Canada (DUC) for such a Program, was run in the summer of 2001. Twenty ha of saline area surrounding wetlands was sown down to forage via seed provided at no charge. Over 170 ha of forage was sown with reimbursement assistance from the District and over 60.7 ha of trial winter cereal crops were sown as part of the District's Incentive Program. Visual and verbal surveys were conducted with all producers participating in the Program.

Fish and Wildlife

In the past year, the LPCD has worked closely with the Shell River Water Quality Board (SRWQB) who has undertaken a study to determine the quality of water on the Shell River and to identify sites of possible concern. The Inglis Beach, located in the Shell River Sub-District, has been identified as one such site. Working with local consultants and provincial fisheries personnel, the LPCD has researched and planned a significant project at this site. The plans address the restoration and protection of fish habitat, the marking of a historic site and identification of fish species at risk. In addition, this project would contribute to the maintenance and improvement of a local community recreation area and the promotion of conservation education. In all, the project will demand the cooperation of several different agencies and is currently under assessment. A wildlife planting demonstration site was secured with trees ordered from PFRA.

Forestry

The District sponsored the local Adopt-A-Tree for Soil Conservation Program and delivered tamarack and green ash trees to all Grade 3 students in the District. A total of 80 trees were planted through this Program in 2001-02.

The LPCD began work with the historical Frank Skinner Arboretum Trail located within the District. The Frank Skinner Arboretum Corporation (FSAC) is a volunteer organization dedicated to the preservation and education of tree species at the Skinner Nursery and Arboretum Trail. The trail hosts approximately 500-600 visitors each year and the LPCD is interested in integrating the interdisciplinary approach of resource management into the trail's educational component.

Plans for a "Prairie Xeriscape Pilot Project" were made with funds secured through Manitoba Hydro's Forestry Enhancement Program. The project will involve landscaping the grounds of the Inglis Activity Centre, focusing on water and soil conservation, reduced pesticide use, appropriate plant selection, efficient irrigation and mulching using recycled organic material. The project will also provide shelter, fruit trees, an educational component and aesthetics to the area. Depending upon the success of the project, one such project may be undertaken in each of the Sub-Districts the following Program year.

Over the past year, the Board has explored a number of other initiatives related to forestry including

the feasibility of acquiring a plastic mulcher and the idea of using fruit trees and unconventional planting methods for long-term shelterbelt survival. The Shelterbelt Planning Service was offered in the spring of 2002, specifically to those applying for trees.

Public Education

With the LPCD and staff prioritizing public education from the onset, much progress was made this year in education and awareness throughout the District and beyond.

General presentations were given to various non-profit groups and Member councils. In addition, the Manager and a Board representative attended council meetings in the Rural Municipalites of Shell River, Hillsburg and the Town of Roblin to explain the purpose of the District and update these councils on LPCD activities. Prospective councils were invited to join the LPCD at any time and the expansion process was reviewed. Presentations were also provided to government and various non-profit groups, including Saskatchewan Environment and Resource Management (SERM) to inform them of the current endeavors and mandate of the LPCD. This dialogue with SERM will hopefully lead to discussion of integrated watershed management planning between municipalities on both sides of the Provincial border.

In the area of public/media relations, the District was often featured in local radio and newspaper interviews. In an effort to provide exposure of the District through boundary signs, 14 of these signs were purchased with 9 being erected in the fall of 2001. A District logo was secured at this time. Monthly newsletters also began in the fall of 2001 and continued through to March 2002. The District purchased a number of promotional items to have on hand for local trade shows, various meetings and the Grand Opening. New materials for the District display were also gathered.

Educational materials purchased through 2000-01 external funds were used to develop a comprehensive menu of Conservation Programming. Each school within the District was visited and presentations including experiments, puppet shows and environmental educational activities were made available to all Grade K-4 students. The District also sponsored the Oak Hammock Marsh "On the Go" Program enjoyed by all schools within the District and the Manager was trained in delivering the DUC Project Wet Program.

The LPCD's priority for education continued through a variety of demonstrations, tours and extension activities, some of which have already been listed within respective categories. A high profile alkaline site for the demonstration of saline-tolerant seed was secured. This site will lend education to local producers regarding salinity and wetlands while providing exposure for the District. In November 2001, the District aided in presenting a Cows and Creeks Workshop, sponsored in conjunction with a number of other agencies. Numerous trade shows and other agricultural-related activities were sponsored and attended including the PFRA 100th Anniversary Shelterbelt tour in Indianhead, Saskatchewan and the Manitoba Agriculture and Food Regional Tour. Special Sub-District and District tours were conducted for informational purposes.

The Manager, Administrator and selected Board Members participated in staff training and professional development. Attended were a variety of seminars relating to prospective District operations, including the annual Manitoba Conservation Districts Association Convention in January. Ross and Shirley Dunn and family of Crescentwood Farms were selected as the LPCD Conservation Farm Family for the 2001-02 year.

Project Support

Included in this category is remuneration for Board Members and vehicle reimbursement expenses.

Assets

A pasture pipeline trencher was purchased for rental to District ratepayers. In addition, a down payment for a District vehicle was made in March, with the balance to be incurred in the 2002-03 fiscal year.

Administration

Administrative expenditures include office rent, utilities, staff salaries and expenses along with additional purchases of office furniture, equipment and start-up supplies.

In November 2001, the District signed a new lease agreement for office space with the Rural Municipality of Shellmouth-Boulton, which owns the Inglis Activity Centre. Although the new lease increases the District's monthly rental amount, the agreement addresses several issues, which have been a concern such as adequate heating, building maintenance, use of chairs and storage space.

External Funding

External funding was an integral part of the District's budget for the 2001-02 fiscal year.

Program/Partner	Funding
DUC	7,160
PFRA	3,500
Assiniboine-Birdtail Soil and Water Conservation Group	2,367
Green Team Youth Employment Program	2,045
TOTAL	$15,072

Conclusion

The LPCD is proud to have completed a successful, albeit cautious year of resource management and planning in Manitoba's CD Program. Having developed a short-term vision concentrating on public education, the LPCD feels confident that this is an efficient and attainable goal for the District, given its limited budget. Through a variety of public relations including communications, demonstrations and tangible Incentive Programs, the LPCD aims to become more visible in the eyes of its Members and through them, make its mark in conservation.

Little Saskatchewan River Conservation District

Introduction

The Little Saskatchewan River Conservation District (LSRCD) is situated south of Riding Mountain National Park. The District exhibits pothole marshes, undulating lands and the melt water channels of the Oak and Little Saskatchewan Rivers.

Formed in 1999 as the 11th Conservation District in Manitoba, the LSRCD is comprised of all or parts of nine municipalities located in the Little Saskatchewan River and Oak River Watershed. These areas include the Rural Municipalities of Blanshard, Daly, Saskatchewan and parts of Odanah, Minto and Clanwilliam and the Towns of Oak River, Rivers and Minnedosa. There has been interest generated by other councils to join including the Rural Municipality of Harrison, Towns of Erickson and Rapid City.

The District received funding and professional support from Manitoba Intergovernmental Affairs, Member Municipalities, co-operating agencies and governmental departments. This, coupled with local leadership on the Sub-District committees and Board, provided LSRCD with the basis to deliver an expanded and comprehensive Resource Program in 2001-02.

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#72 - Upper Oak River	Rodger Mawer	Alexander
#72 - Upper Oak River	Robert Wrightson	Oak River
#81 - Central Little Saskatchewan	Chris Brown	Minnedosa
#81 - Central Little Saskatchewan	John Whitaker	Erickson
#82 - Lower Little Saskatchewan	Ed MacKay	Rivers
#82 - Lower Little Saskatchewan	Evan Smith	Rapid City
Board Chairperson	Roy Greer	Rivers

Summary

The primary focus for LSRCD is soil and water conservation. Programming includes forage assistance, small headwater dam construction, grassed runways and an expanded Abandoned Well Capping and Identification Program. There was significant emphasis placed on educational initiatives in area schools. Spring and heavy summer rainfall caused erosion on natural runways and to one headwater retention area. Severe rainstorms elevated flows to 1 in 75 year flood levels.

The District completed the process for future expansion in 2002-03 to include the Town of Rapid City and the Rural Municipality of Harrison. The Rural Municipalities of Park and Strathclair and the Town of Erickson have also expressed interest. The District witnessed its greatest degree of resource partnership support in 2001-02. The Board is appreciative of the continued support by the Member

Municipalities and the Manitoba Intergovernmental Affairs.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Program Management	$165,862
Water Programs	48,425
Soils	27,528
Public Education	11,486
Assets	9,517
TOTAL	$262,818

For further details see Auditor's Report, Appendix F.

Water Management

Headwater management continues to be the largest focus for the LSRCD Sub-District Programs. In efforts to reduce the impacts of runoff, the District constructed six headwater dams in the Central Little Saskatchewan River and the Oak River Sub-Districts. These structures varied in design and size and provided a number of benefits including ground water recharge, wildlife habitat and erosion control. A partnership with Delta Waterfowl Foundation provided opportunities to construct additional projects.

Support and interest in the District's Abandoned Well Capping Program grew substantially, 25 wells were disinfected and sealed with another 55 applications received. With this interest, an abandoned well inventory in partnership with Prairie Farm Rehabilitation Administration (PFRA) and the Human Resources Youth Internship Program was initiated. A technician was hired for a six month term to examine and prioritize all abandoned wells. Each well was marked using a Global Positioning System (GPS) and then recorded into a Geographic Information System (GIS) database. Over 130 wells were examined and recorded to serve as the base for a long-term groundwater management plan. In an effort to aid in understanding rural water quality, a well water testing day was organized where individuals could submit a sample of their well water to be shipped for testing.

In July, the LSRCD and the UARCD cooperated to offer a "Bovines and Shorelines" Workshop. This Workshop, developed in conjunction with PFRA and Manitoba Agriculture and Food, examined and introduced alternative land and riparian management tools. Over 45 people from across the Province attended.

The LSRCD investigated the benefits of integrated watershed planning in two areas: 1) the Saskatchewan River Basin and 2) a mini watershed along Broughton Creek. The District is continuing these plans in the upcoming year. The District also developed a grassed runway within one of the smaller runs in the Rural Municipality of Minto.

Soil Management

Soil Management Programming expanded in 2001-02. Greater numbers of landowners participated in the Permanent Cover Program (approximately 370 ha). The LSRCD no-till drill seeded over 440 ha of grasses and legumes within the headwaters of the Oak River and Little Saskatchewan River Watersheds.

Through a partnership with Ducks Unlimited Canada (DUC) a new Winter Wheat Program was offered to producers. Over 25 producers participated in the Program indicating a strong demand to have a similar type of Program for the years ahead. The DUC partnership continued to provide landowners with saline seed for areas that exhibited high salt content. Six producers were offered the Rotational Grazing Program.

Wildlife Habitat Programs

The LSRCD supported the Little Saskatchewan Stakeholders group, which includes the Friends of Rivers Lake and Manitoba Conservation (Fisheries) in a riparian pasture partnership along the Little Saskatchewan River north of Rapid City. The riparian area was fenced off to provide stabilization and water quality benefits.

The District conducted a Tree Planting Project with Scouts Canada along an old abandoned railway line in the Rural Municipality of Daly. Over 1,200 fruit bearing trees were planted to provide food and habitat for wildlife in the upcoming years.

The Beaver Management Program continues to be offered to landowners through the development of beaver leveler pipes. Proving to have an 80% success rate, the leveler pipes were primarily established within headwater areas. They provide a sustainable and economical solution to local beaver problems and assist in headwater management.

The LSRCD explored the development of an interpretative station on Proven Marsh for the upcoming Program year.

Education

The LSRCD continued to make education a top priority in 2001-02. Initiatives included presentations to the Sustainable Development Class in Rivers Collegiate. Other in-class projects included a review of renewable energy sources and assisting with Science Fair Projects.

This is the third year for the "Classrooms and Creeks" Program with Erickson Collegiate. It was designed to have students develop practical hands-on analytical works that fulfilled their curriculum requirements while at the same time provided LSRCD with new information on the watershed. Students from the Grade 12 Biology Class examined the water quality of the Rolling River Watershed under support and guidance from the Biosphere Reserve and the Fresh Water Institute. New elements included water quality sampling along the Ditch Lake. As part of an ongoing Program, the students will re-evaluate streams each fall and spring to obtain a stronger picture of the watershed. The class and their project were showcased in local media and were LSRCD's first representatives to the Science Project competition at the Manitoba Conservation Districts Association Annual Convention.

With continued support from the Manitoba Hydro Forest Enhancement Fund, the LSRCD continued to deliver its Mother's Day campaign called "An Applecious Mother's Day." All Grade Four students within the District were provided a four-foot apple tree to give to their mothers. As well, students were given a presentation regarding the importance of trees to our environment.

Allan and Linda Horner from Minnedosa, Manitoba were selected as the 2001-02 Conservation Farm Family.

External Funding

The past year, external support increased for the District's Programs and activities. This support included:

Program Partner	Funding
Ducks Unlimited Canada	$19,761
Department of Fisheries and Oceans	250
Manitoba Hydro	5,000
Sustainable Development Innovations Fund	5,200
PFRA	15,200
Delta Waterfowl	10,700
Summer Career Placements	2,127
Youth Internship Program	3,931
Covering New Ground	5,145
Riding Mountain Biosphere Reserve	1,500
Total	$68,814

Administration

This component of the budget included the salaries of a full time Manager, part time Administrator, casual workers, expenses and remuneration for the Board and Sub-District Members.

Mid Assiniboine River Conservation District

Introduction

On January 30, 2002, the Mid Assiniboine River Conservation District (MARCD) became Manitoba's 15th Conservation District. The Member Municipalities are Elton, Cornwallis and Whitehead who partnered to offer area residents a wide variety of Soil and Water Management Programs. The Assiniboine River is the dominant water body flowing through the District.

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#98A - Little Souris A	Bill Thompson	Alexander
#98B - Little Souris B	Wally Selent	Shilo
#99A - Willow Creek	Dan Mazier	Forrest
Board Chairperson	Wes Williamson	Alexander

Activities

Prior to January 30th, the Member Municipalities were making their appointments to the three Sub-District committees. The Board opened an office in Alexander in partnership with the Rural Municipality of Whitehead, hired a Manager and part time Financial Administrator and began developing a Program.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Program Management	$10,567
Assets	12,084
TOTAL	$22,651

N.B. – Since Mid Assiniboine began operating on January 30th, 2002, no audited financial statement is provided. An audited financial statement covering the first 14 months will be provided in the next Annual Report.

Programs

The Board will be consulting with area residents through Sub-District meetings in the upcoming months to set some Programs for the first year. Soil erosion, local water management, water quality, grazing management and public education have been identified as community resource issues for consideration.

The Board is consulting with neighbouring Conservation Districts for help to set new Programs. Forage seed assistance, saline soil management, tree planting, capping abandoned wells, Riparian Projects and water retention have been identified as possible new Programs for the Conservation District.

Pembina Valley Conservation District

Introduction

The Pembina Valley Conservation District (PVCD), incorporated in October 1989, includes 4,270 km^2 of southern Manitoba. The District shares a boundary with North Dakota and its principal landscape features include the Pembina Valley, the Pembina Escarpment, the Tiger Hills, the Cypress River and part of the Red River Valley.

The PVCD is a partnership between the Province and the Rural Municipalities of Lorne, Louise, Pembina, Roblin and Thompson, the Towns of Manitou and Pilot Mound and the Village of Crystal City. Currently plans are underway to include the Town of Cartwright into the fold. There are seven Sub-Districts representing watersheds within the District.

PEMBINA VALLEY CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
Boundary Area	Landon Booker	Snowflake
Lizard Lake	Murray Seymour	Darlingford
Swan Lake	Larry Van Cauwenberghe	Swan Lake
Tiger Hills	Gerry DeSmet	Cypress River
Pembina Escarpment	Edgar Cummer	Roseisle
Crystal-Cypress	Brian Charles	Cartwright
Badger Creek	Howard Ganske	Cartwright
Board Chairperson	Don Alexander	Miami

Summary

The PVCD Program continues to focus on fundamental soil and water management issues, working with landowners to encourage conservation practices. Water quality issues are a growing concern for area residents and in response additional resources are being allocated to address this. In the area of wells, the District has been involved with water testing, shock chlorination, well assessment and abandoned well capping. As all aspects of the environment are interconnected, the Board feels that improved water quality is an end product of a lot of the work that we are involved in. To this end the Board has embarked on a number of integrated watershed planning efforts. Multipurpose Water Retention Projects continue to be delivered on the landscape, as are gully stabilization and grass waterways.

Partnerships with Government and non-government agencies enhance the Programming that can be offered to local landowners and Municipalities. The Board appreciates the funding support from Manitoba Conservation Special Conservation Fund and Prairie Farm Rehabilitation Administration (PFRA) for a gully repair and a constructed wetland. Ducks Unlimited Canada (DUC) Conservation Program

helped fund our Winter Wheat Program, Flushing Bars and Salinity Barrier Program. Manitoba Hydro Forest Enhancement Program paid for hundreds of trees to be planted all around the District in public places. Manitoba Habitat Heritage Corporation (MHHC) Agro Woodlot Program assisted with tree planting for bank stabilization works. A number of potential Fish Habitat Enhancement Projects are being investigated as a result of the study that was completed on improving the fisheries potential of the Pembina River. As in the past, Federal (Summer Career Placements) and Provincial (Manitoba Conservation - Hometown Green Team) sources subsidized the cost of hiring summer staff, providing them with valuable experience and completing many important jobs for the District. Manitoba Agriculture and Food and Agri-Food Research and Development Initiative (ARDI) funds were received to support the "Checkstrips" Program.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Water Management	$200,233
Soil Management	85,788
Public Education	56,939
Project Support	72,940
Wildlife - Trees	32,080
Program Management	63,763
Assets	9,352
TOTAL	$521,095

For further details see Auditor's Report, Appendix G.

TOTAL FUNDING AVAILABLE FOR 2001-02

Municipal Contributions (Levied on all lands [not buildings] within the District)	$90,066
Intergovernmental Affairs Funding	250,000
External Funding	171,227
Land Owner Share	9,802
TOTAL	$521,095

Water Management

The Sub-District budgets reflect the desire to construct small water retention structures for a variety of reasons. Overall, 23 Backflood and Dam Projects were worked on. Typically, dams are designed to serve many purposes, such as groundwater recharge, providing water for agricultural, domestic and recreational use, creation and enhancement of wildlife habitat, flood peak attenuation, aesthetic value and precipitation distribution. The Backflood Projects involve a structure that allows temporary water storage and later full drainage, to encourage water infiltration, increased productivity and dampens flood peaks.

The District is responding to the need for watershed planning on a basin scale as well as on a mini-watershed level. The Pembina River Basin Advisory Board is an international group of stakeholders that are working towards developing a water management plan for the entire Pembina River Basin. The Coleman Watershed integrated watershed management plan is a locally led and directed process for landowners to effectively manage a 98 km^2 drainage area. This mini-watershed is located northwest of Miami and includes the Rural Municipalities of Lorne, Dufferin and Thompson. The land within the watershed is privately owned, involving about 100 landowners. The PVCD has also committed resources in support of two new planning efforts being led by Manitoba Conservation. The Assiniboine Delta Aquifer and Stephenfield Reservoir water management processes are just getting underway and the District is taking part. The District has gathered some baseline water quality information on a tributary of the Stephenfield Reservoir system and this information will tie into the larger basin study.

Well water quality has become more of a concern with area residents and the Board has responded with shock chlorination and well assessment demonstrations, water quality awareness through water testing and other public extension services. People are becoming more aware of the problems that arise from the contamination from abandoned wells. Through our Program 52 wells were sealed this year. Off-site watering systems powered by solar, wind and cows noses were demonstrated and promoted along with shallow buried pipeline systems for pastures.

Soil Management

The Forage Seed Assistance Program was over subscribed this year with a total of 1,070 ha sown down to permanent cover. It is felt that the need for this Program is increasing because of the move to diversification and increased livestock numbers. The District provided $12,400 of assistance to 55 landowners.

Grassed waterways were worked on in two locations. Besides preventing erosion, downstream sedimentation and increased nutrient loading along with the potential for pesticide contamination, these projects provide wildlife habitat and hay for harvest.

To prevent erosion and safeguard high value cultivated land a Dyking Project was constructed adjacent to the Shannon Creek in partnership with Thompson Municipality and a landowner. On this project the natural meander of the creek was untouched and a berm was constructed outside of the immediate area of the creek allowing for a substantial floodplain. This works out to be a win-win situation for allowing a natural system meander, set aside a natural floodplain and ensuring good crops outside of the floodplain area.

Manitoba Agriculture and Food through its Covering New Ground Program (ASI) provided strong support for the "Checkstrips" Program, demonstrating crop rotations and other agronomic lessons on three concentrated, accessible sites in the District. The relatively new site north of Cartwright that highlights new forages and is geared to the cattle industry received a lot of attention from area producers. Many other partners to numerous to mention made this a great tool for farmers to use.

Public Education and Extension

PVCD information is passed on to the community through the local newspapers and a quarterly newsletter that highlights the District's activities. The Board sponsored the DUC "On the Go" Program in six of our local schools. Several environmental educational sessions with local schools were

delivered in and out of the classroom. The PVCD Envirothon Club, which is made up of local high school youth, is supported by the District and provides a fun environmental education opportunity. Our young people are our future leaders, stewards and protectors of the environment and these types of educational efforts are a District priority.

The Binney Corner Nature Preserve is a 13 ha natural site within the District that is used for education, recreation and nature appreciation. This year, Earth Day was celebrated at the site. Several school groups used the site for an outdoor classroom. Each year brings increased interest for District schools to use Binney Corner for outdoor educational activities. Also this year a local family donated two purple martin houses and an interpretive sign.

Robert and Yvonne Cnudde and family of St. Alphonse were chosen as the Conservation Farm Family. The Cnudde's were recognized locally by the District for their stewardship of the land and especially their work towards a healthy riparian zone along the Cypress River. The District's Youth speaker was Lisa Van Den Bussche from Swan Lake's Westmount High School. Lisa was also the winner of the Provincial award judged at the annual Manitoba Conservation District Association Conference.

Wildlife

Manitoba Hydro through the Forest Enhancement Program sponsored the purchase of shade, shelter and native fruit trees for planting in local community parks and public areas. The District has entered in another two year agreement with MHHC to cooperatively deliver the Green Banks Program (Riparian Stewardship), which promotes healthier riparian zones for our rivers, lakes and streams. The District and DUC worked together to encourage landowners to sow a salinity seed as an alternative to increased drainage. This partnership also included a Winter Wheat Program that attracted 11 first time landowners. A Winter Wheat Workshop was co-sponsored with DUC and designed to answer producer's questions about this wildlife friendly conservation practice.

Program Management

The District has dedicated Board and staff that are continually looking for new ways of dealing with the challenges presented by local soil and water problems.

Conclusion

The year 2001-02 was very successful in terms of fund raising, Program delivery and developing strong partnerships that are centered on a common interest in the environment and sustainable development principles.

The past 11 years has been a learning and growing experience for both the staff and Board Members. We thank everyone for his or her cooperation in the past and look forward to a productive year in 2002-03.

Seine-Rat River Conservation District

Introduction

The Seine-Rat River Conservation District (SRRCD) incorporated in 2001, includes approximately 349 km^2 of land located in southeastern Manitoba. The District boundaries are at present based on the Rural Municipality of La Broquerie boundaries and take in portions of the Seine River and Rat River Watersheds. The SRRCD is divided into three Sub-Districts, which are based on watershed boundaries and also include the Villages of La Broquerie and Marchand.

SEINE-RAT RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#4/6 - Joubert - Tourand Creek	Roland Gauthier	La Broquerie
#7 - Manning Canal	Heinz Reimer	La Broquerie
#8 - Seine River	Jean Gagnon	La Broquerie
Board Chairperson	John Giesbrecht	La Broquerie

Summary

The SRRCD began operation in the third quarter of the 2001-02 fiscal year. In the first four months of establishment, appointments to the SRRCD Sub-Districts were made and the Board elected a chairperson. The Rural Municipality of La Broquerie renovated an office within the municipal building for the SRRCD. During 2001-02, a part time Administrator and a full time Manager were hired. The first Sub-District meetings were held in March and the development of a Program and project priority list was started.

The Board identified water management as an integral part of their overall Program objectives. The SRRCD then set out establishing policy guidelines to complement the objectives and a Program list that would coincide with the overall objectives and have begun the development of a long term management plan for the District.

The SRRCD has approved a number of Programs to be implemented in the first year of operation. Foremost is the Education and Extension Program that is targeted at school youth, District residents and business operations. In addition to the local extension, efforts are being applied towards open door communications with neighbouring municipalities, residents and businesses outside of the current Conservation District borders.

Environmentally, the Riparian Protection Program will help mitigate soil erosion issues as well as aid in improving water quality. Bufferstrip and Grassed Waterways Programs are also intended to address similar issues. In terms of water management, the SRRCD has implemented a Small Dams Program for landowners who wish to retain water on their property for flood control, wildlife habitat, livestock

watering and irrigation.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Administration	$8,705
Program Costs	18,337
Assets	9,496
Total	$36,538

For further details see Auditor's Report, Appendix H.

Soil Conservation

In an effort to promote sustainable soil management practices, the SRRCD is offering landowners incentives for seeding forage bufferstrips and grassed waterways to reduce soil erosion. The SRRCD is also providing financial assistance to livestock producers to implement rotational grazing systems into their pastures.

Water Management

Water quality and quantity are important aspects of a healthy and economically sustainable agriculturally based community. The SRRCD Board has initiated an Off-site Water System Program for livestock producers, abandoned well capping and the construction of small dams for the purpose of water retention. These Programs help to manage water quantity as well as stop contaminants from entering ground and surface water sources. This improves overall water quality within the District and has a positive effect on downstream residents and municipalities.

Public Education

The SRRCD recognizes the importance of public awareness and education in addressing and mitigating environmental issues. Under the Board's direction, the SRRCD staff has taken initial steps in developing a Youth Environmental Stewardship Program where students from District schools will be able to participate in and experience the different Programs offered by the SRRCD. The SRRCD has also begun a general public awareness campaign with the development of brochures and fact sheets providing area landowners the information to make sustainable resource management decisions.

Expansion and New Program Development

The District is continuing negotiations with neighboring municipalities to expand the District boundaries. The goal is to incorporate all the municipalities within the entire Seine and Rat River Watersheds into the District, to enable the SRRCD to manage the soil and water resources more effectively.

The development of new Programs in the SRRCD is an ongoing task. Resource management issues change over time and geographic area. As the SRRCD grows and neighboring municipalities join, the District will need to address the priority issues of each new area and develop an overall watershed based management plan.

Tiger Hills Conservation District

Introduction

On January 1, 2001, the Tiger Hills Conservation District (THCD) became Manitoba's 13th Conservation District. Formed as the southern shore of glacial Lake Agassiz during the retreat of the last ice age, the Tiger Hills are underlain by erodable sand and sandy loam soils and covered with mixed forest and grasslands. During its second year of operations, THCD began implementing Programs designed to address water quality and quantity issues. Erosion control, riparian management, aquifer protection and Conservation Education Projects were designed and delivered to the District's residents.

Divided into five Sub-Districts, each responsible for a distinctive watershed drainage area, THCD was formed with the partnering of the Rural Municipalities of Argyle, Glenwood, Strathcona and South Cypress, the Village of Glenboro and the Province of Manitoba, in order to meet these challenges.

TIGER HILLS CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#56 - Pelican/Rock Lake	Wayne Hall	Killarney
#68 - Elgin Creek	Doug Denning	Souris
#70A - Upper Oak	Hugh Stephenson	Baldur
#70B - Lower Oak	Wayne Bolack	Baldur
#99 - Central Assiniboine	John Hamilton	Glenboro
Board Chairperson	Jack Bolack	Glenora

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Program Management	$48,389
Public Education	10,851
District Programs	69,414
Project Support	8,378
Assets	42,752
TOTAL	$179,784

For further details see Auditor's Report, Appendix I.

Soil Conservation

Forage Seed Assistance - Designed to encourage producers to take areas susceptible to soil erosion out of annual rotation and sow them into permanent cover or forages. Producers were offered a financial incentive, funded by Ducks Unlimited Canada (DUC) to offset costs with 23 participants sowing 465.40 ha into forages.

Winter Wheat - Winter wheat and other fall seeded crops provide for a variety of benefits to local producers. The benefits of adding fall seeded crops into a well planned crop rotational plan include reduced erosion from spring runoff and wind, increased soil moisture through snow catch, cover for ground nesting birds, increased habitat for wildlife, increased farm diversity and better soil conditioning through residue management. THCD has encouraged adoption of fall seeded crops into rotation by providing a financial incentive, again funded by DUC, designed to offset increased costs associated with diversification. Despite the extremely dry conditions within the Tiger Hills that can seriously diminish germination of fall seeded crops, 10 producers were convinced to sow 404.7 ha of winter wheat.

Pasture Management - THCD purchased and modified a used deep tiller to be used as a molehill leveler. As burrowing animals dig into a pasture or hayfield, the mounds left behind makes field operations difficult. After a few years the field becomes so bumpy and lumpy that producers can no longer cut hay or even drive on the field. The molehill leveler was offered to local producers for a small rental fee and allowed them to smooth out older pastures and hay fields making farm operations easier. By leveling pastures, producers are able to extend the useful life of a field decreasing costs and enhancing the environmental benefits, such as carbon sequestration, of a healthy growing pasture. THCD has found that by scrapping the pilings the animals burrow itself is left intact which would otherwise be destroyed by cultivation. Additional funding for this project was received from Manitoba Conservation's Sustainable Development Initiative.

Water Management

Well Capping - To protect underlying aquifers and groundwater, THCD provided an Abandoned Well Capping Program. Acting as the general contractor, THCD facilitated filling, sealing and reporting abandonment of old wells with a portion of costs charged to the landowner. Applications were received for 26 wells and a total of 23 were capped.

Well Rehabilitation - Designed to assist well owners with identifying and repairing problems with their existing wells, THCD provided technical advice, consulted with other water quality specialists and agencies and provided some financial assistance.

Shock Chlorination - Through a donation from the Argyle Farm Progress Association, THCD was able to assist landowners in protecting their watering systems by providing a shock chlorination service. Seven applications were received and six wells treated.

Alternative Water Sources - THCD provided producers with assistance for protecting riparian areas and providing clean drinking water to livestock through alternative technologies and techniques. Four watering systems were designed and produced with assistance from The Manitoba Water Services Board (MWSB) and PFRA.

Water Quality Monitoring - In order to monitor the success of its Water Management Programs, THCD has begun preliminary water quality monitoring of surface waters. THCD purchased a water testing

kit and sampled water from creeks and streams. The result will be used as a benchmark for monitoring progress.

Community Well Testing - Water chemistry plays an important role in farmers decisions on pesticide and fertilizer applications. By providing up to date information on groundwater chemistry, THCD encourages producers to minimize application rates, reduces on farm costs, reduces contamination and allows general aquifer quality measurements.

Conservation Education

School Programs - THCD partnered with the Oak Hammock Marsh (OHM) Interpretive Centre and provided a full day of educational Programming to most of the schools in the Tiger Hills area. OHM's "On the Go" provided a variety of Conservation Programs designed to educate and entertain the Baldur, Belmont, Glenboro and Souris public schools.

Youth Speakers - As a part of a public speaking competition held by the Manitoba Conservation Districts Association at their annual convention, THCD assisted local students in choosing topics, researching and delivering a Conservation Project.

Demonstrations - Utilizing new technologies and learning about better farm practices is key to long term sustainable agriculture. To this end THCD setup demonstrations showcasing pasture management, off-site watering, Geographic Information System and Global Positioning System technologies and provided technical advice to producers on the latest farming techniques.

Turtle Mountain Conservation District

Introduction

The Turtle Mountain Conservation District (TMCD) covering an area of 4,260 km^2 is located in the southwest corner of Manitoba along the international boundary. The District is bounded on the south by the Turtle Mountain uplands, on the east by the headwaters of the Pembina River system and Pelican Lake and on the west by the historic Souris River. The District is a unique mix of glacial uplands surrounded by a flat intensively farmed till plain. Several intermittent streams, small lakes and potholes characterize the landscape. The upland areas include native mixed grass prairie and deciduous woodlots, while annual cropping predominantly influences the plains. Located in the center of the District is Whitewater Lake, a huge wetland area renown throughout North America for its natural bio-diversity. This mix of topography and natural resources gives rise to many of the activities and Programs of the TMCD.

Members of the TMCD include the Rural Municipalities of Arthur, Brenda, Winchester, Morton and Turtle Mountain and the Towns of Killarney, Boissevain, Deloraine and the Village of Waskada. The area represented by these Municipalities is further divided into seven watershed Sub-Districts.

Soil and water resources form the focus of District activities along with Programs targeting many related resources, for example wildlife habitat, education, fisheries, historic and heritage resources. Specifically, Programs are developed in a manner that promotes the integration of various resource concerns so that no singular problem or concern is addressed at the expense of another. The Board agrees that positive land management initiatives ultimately will have the greatest beneficial effect on both land and water issues. Land Management Programs promoting permanent cover, conservation tillage, range management and habitat protection will promote healthy water and nutrient cycles, reducing the need for Programs designed to deal with the results of impaired natural cycles. The majority of Programs are developed for local on farm delivery benefiting the producers, specifically, and the community at large.

By partnering with a number of agencies and individuals in the public and private sector, the District is able to provide joint projects and Programs of mutual concern. A large network of Sub-District representatives provides the grassroots contact with District constituents and the District office maintains an active extension Program.

The Province of Manitoba, through the Manitoba Intergovernmental Affairs, is the major supporting partner for the Program, together with a host of cooperating agencies and various departments of government at all levels. The interaction, cooperation and support of local landowners and producers is, however, the cornerstone of the Program, resulting in a sound, well supported Program of sustainable resource management for a very unique region of Manitoba and Canada.

TURTLE MOUNTAIN CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICTS	CHAIRPERSON	ADDRESS
#58 - Wakopa Creek	Myna Cryderman	Boissevain
#59 - Upper Pembina	Brian Hammond	Boissevain
#64 - West Arthur	Brian Fletcher	Coulter
#65 - Waskada Creek	Keith Hannah	Waskada
#66 - Medora Creek	Donna Teetaert	Medora
#67 - Chain Lakes	Murray Dillabough	Deloraine
#68 - Elgin Creek/Whitewater Lake	Richard Sexton	Deloraine
Provincial Appointee	Murray Combs	Deloraine
Board Chairperson	Cliff Snyder	Melita

Summary

Change is ever present on the prairies and the TMCD has undergone a major change with the departure of long-time Manager, Gary Davis and Project Manager, Rob Malmberg. The District hired staff to replace the previous employees and has begun to chart a new course for the future.

The spring and summer of 2001 was one where good moisture conditions persisted, however the tap was literally shut off following a July rainfall which was the last major precipitation throughout most of the region. A dry autumn and lack of moisture throughout the winter have begun to cause concern and hardship for agricultural producers and the future may be much worse if dry conditions persist.

The dry conditions prevented many farmers from conducting annual fall tillage practices and applying fertilizer to their land, however, the maintenance and establishment of drainage infrastructure was noticeable throughout the area. Mild weather existed late into the fall months, which allowed staff to complete most of the construction works that were planned for the fiscal year.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Watershed Management	$197,517
Soil Conservation	162,179
Wildlife	5,539
Public Education and Extension	32,903
Administration	68,504
Equipment	10,544
Depreciation – Equipment	17,421
Inventory	5,003
Project Support	54,233
TOTAL	$553,843

For further details see Auditor's Report, Appendix J.

Watershed Management

Over the past year, seven watershed Sub-Districts have delivered a very diverse list of Program activities. The list of Programs offered by the Sub-Districts include the sealing of 19 abandoned wells throughout the District and the construction of seven limited entry access ramps for livestock watering. Seven landowners implemented remote watering systems for livestock watering. The District provided support for well water testing and extension information on well maintenance and protection. Six small water storage facilities were constructed and maintenance activities were performed on numerous other storage structures. Numerous runway stabilization repairs were made along Waskada Creek and a major Lakeshore Stabilization Project occurred at Killarney Lake. Mowing of runways for maintenance was completed on the Waskada Creek and a portion of the Medora Creek.

Sub-Districts continue to support Right of Way reseeding as a service to municipalities and the Chain Lakes Sub-Districts continues to implement a riparian protection and grazing demonstration at the Adair Dam property. Sub-Districts also assisted with two informational workshops introducing area residents and producers to Holistic Resource Management (HRM). The West Arthur Sub-District also provided financial assistance for the detailed HRM course for one group of producers in the region. A staff assistant was hired to deliver projects in the Wakopa Creek Sub-District and other projects in the Killarney area.

The Board has had preliminary discussions regarding the creation of a new watershed management plan for the District, which will help direct activities into the future. The TMCD is also a member of the Pembina River Basin Advisory Board and has conducted water sampling in the headwaters region of the basin as part of a three year study to collect baseline information on water quality and quantity.

The Program as presented should clearly indicate a well rounded list of options for producers concerned about water management. The Program does not focus solely on the movement of water within the watershed, but also with those aspects of land management having a positive impact on water movement within the District.

Soil Conservation

Forage Seed Assistance Program - This Program allowed landowners the choice between two forage mixtures through Option #1 or to purchase the forage seed of their choice through Option #2. A total of 110 producers obtained forage seed for 16 ha from the mixtures provided under Option #1. Option #2, which consists of financial support to producers, had 69 subscriptions and was also limited to 16 ha per applicant. The assistance provided to producers in many cases was only a portion of the total cost of seeding the land to forage.

Shelterbelt Program - This consists of the establishment of shelterbelts and tree plantings. An estimated 25,000 trees were planted throughout the region. Nearly 10 km of plastic mulch was applied to assist with weed control in the belts. The District also helped coordinate the annual Boy Scout Planting Program.

Other Programs offered by the District included 14 new or upgraded planned grazing systems developed for area graziers. The Phil and Myrna Adams family from Deloraine was the TMCD

Conservation Farm Family and they also received the Sid Ransom Award as Conservation Farm Family from the Manitoba Conservation Districts Association.

With the support of external partners, the District continues to offer options for No-till Programs and winter cereals. Six no-till agreements were signed and 40 ha of forage seed for salinity barriers were distributed to 9 landowners through the support of Ducks Unlimited Canada (DUC). Specialized seeding equipment included the John Deere 750 no-till drill (114 ha), the Tye grass drill (86 ha) and various broadcast seeders. A total of 5 landowners used the boomless pasture sprayer and the water pump was used for a total of 126 hours.

The District provides a variety of Soil Conservation Programs for landowners to encourage the sustainable use of land and the conservation of soil resources throughout the District. As the dry conditions persist in the region it will be critical that landowners implement land use practices that protect soil resources from the elements.

Wildlife

Habitat Development and Protection Programs during this fiscal year included four habitat leases (idle land set aside) and two Riparian Protection Projects. The District contributes annual payments to producers for wildlife habitat that is protected. Preservation of existing natural habitat is an important goal of the District, especially in the wooded uplands of the Turtle Mountains. The protection of riparian areas and natural wetlands in the prairie is considered critical for bio-diversity, groundwater recharge and healthy water cycles.

The District continues with the aeration project in the Derksen Heide Dam near Boissevain. The District was also involved with other local partners in developing an action plan for Whitewater Lake as an Important Bird Areas Project in southwest Manitoba. The Waskada Creek Sub-District stocked rainbow trout in a reservoir operated by the TMCD for the recreational enjoyment of the public.

Public Education

The TMCD is active in delivering a diverse Public Education Program targeted towards virtually everyone in the District. The youngest of children are exposed to educational activities through the "Conservation in the Classroom" Program delivered to school aged children and the District also focuses on the interests of adults with natural and interpretive areas, as well as the historic and heritage resources.

The "Conservation in the Classroom" Program involves all schools in the District and assists with field trips, operational supplies for greenhouses and the Killarney outdoor educational classroom. The TMCD also supports the purchase of conservation publications, books and other materials related to conservation. Funding for "On the Go" Educational Interpretive Program was also provided to all schools in the region.

The TMCD conducted a tour of the District in place of the annual banquet. The tour allowed Members of the TMCD, municipal councillors and the public to view TMCD Projects and initiatives in the eastern portion of the District.

Public interpretive areas remain a priority of the District at the Metigoshe Natural Area, Newcomb's

Hollow and other properties owned by the TMCD. The Metigoshe Natural Area continues to be the home of the Turtle Mountain Metis Days during July. The Natural Area consists of a parking area, shelter, interpretive tower and self-guided hiking trail. Newcomb's Hollow has become an attraction for eco-tourist from all over the world. The District also continues to support the Whitewater Lake Wildlife Viewing Center through the regular maintenance of the site.

TMCD staff provides extension services to many residents of the District. Many inquiries are made by local residents on a daily basis through calls made into the office, calls out and visitors to the office and field visits. The TMCD also assisted a group of 10 families in the Boissevain area with a Holistic Resource Management course. The District also hosted two Low-Stress Livestock Handling Workshops for area livestock producers.

The District is involved in the promotion of Programs through the advertisement in weekly newspapers and in the annual agricultural supplement as well as placemats, which were distributed throughout the District.

Administration

The Administrative Program provides for a portion of staff salary, expenses and remuneration of Board and Sub-District Members, rent and miscellaneous operating costs.

The District also takes advantage of external administrative support wherever possible through Programs such as the Green Team.

Equipment and Inventory

Additions to equipment and inventory included two new computers for staff and the inventory list consists of plastic mulch and grass seed.

Turtle River Watershed Conservation District

Introduction

The Turtle River Watershed Conservation District (TRWCD) was incorporated in 1975 and includes approximately 235,000 ha of land located between the Riding Mountain Escarpment and Lake Dauphin. The District boundaries are based on the entire Watersheds of the Hansen Creek, Turtle and Ochre Rivers. The TRWCD is further divided into three Sub-Districts (Sub-Watersheds) that encompass all or part of the Rural Municipalities of Alonsa, Dauphin, Lawrence, McCreary, Ochre River, Rosedale and Ste. Rose, as well as the Town of Ste. Rose du Lac and the Village of McCreary.

TURTLE RIVER WATERSHED CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#44 - Upper Turtle River	Ron Chotka	McCreary
#45 - Lower Turtle River	Paul Brunel	Ste. Rose
#46 - Ochre River	Joe Felix	Ochre River
Board Chairperson	Finley Kristjanson	Ochre River
Provincial Appointee	Denis Maguet	Ste. Rose

Summary

The TRWCD continued to place emphasis on numerous watershed issues, including maintenance of agricultural drainage channels and crossings. In water management, the District proceeded with resolving a number of outstanding soil and water issues, including the Ste. Rose Flood Protection Project and land acquisition right of way payments. The District successfully maintained 125 km of agricultural drains through brushing, spraying, cleanouts and reconstruction. Three of four erosion control structures constructed along the Rosenbarker Drain, three small stretches of streambank stabilized and numerous crossings underwent minor repairs and seven new crossings were replaced/reconstructed.

In the Soils Program, one shelterbelt was addressed with three others put on hold due to inclement weather. Thirty-three landowners participated in the Forage Seed Assistance Program seeding 334 ha of erosion and saline prone soils. Four grassed waterways were completed with two additional sites surveyed. The Noxious Weed Program, now in its third year, continues to focus on leafy spurge and purple loosestrife site identification and control.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Water Management	$191,842
Land Management Services/Legal Surveys	21,026
Ste. Rose Flood Protection System	12,193
Crossing Repair and Replacement	32,606
Soil Management	29,815
Wildlife/Fisheries	37,345
Spring Runoff Damages	56,413
Public Education and Extension	5,691
Administration	151,229
Program Support	62,815
Inventory Sale – Net	(10,833)
Custom Work	28,339
Depreciation	25,048
Asset Purchase	7,070
TOTAL	$650,599

For further details see Auditor's Report, Appendix K.

Water Management

Flood Protection - The Project was funded under a Federal Provincial agreement and costs were shared Federal (45%), Provincial (50%) and Local (TRWCD 5%). The component is now completed with the entire Project repayment schedule being finalized.

Land Management Service (LMS) - The District continued to finalize numerous outstanding right of way issues that included payments for land acquisition, processing fees, legal fees, landowner tax repayments and interest charges.

Drain Maintenance - In addition to regular vegetative maintenance by mechanical brushing and spraying on various agricultural drainage channels, work under this component included minor repairs, seeding and leveling of 2001 works on the Kergwenan Drain, Brunel Drain, Tityk Drain, Kingshott Drain and Irwin Drain Lateral. General/minor drain works were completed on a number of areas with major upgrading works being undertaken on the Parthenay, Chotka, West Hansen and Ogg Drains. A total of approximately 125 km of drains were maintained in 2001 works season.

Beaver Management - Extensive beaver management expenditures occurred through remedial actions associated with beaver activity in agricultural drains and TRWCD right of way approximately $20,000 annually.

Miscellaneous - Annual spring icing and flooding problems were also addressed and included culvert reinstallation, de-icing, erosion repair and debris removal. In partnership with Manitoba Agriculture and Food, an extensive Noxious Weed Program was initiated and focused specifically on leafy spurge and purple loosestrife site identification and control. This past year there was substantial runoff due to an above average snowfall, which caused severe flooding and erosion in many areas of the District. The District received approval for Disaster Assistance through the Manitoba Emergency Measures Organization.

Crossing Repair and Replacement

In addition to the three crossings upgraded by the District Labour Crew, seven sites were repaired/upgraded and maintained throughout the works season. The District continued updating an overall inventory of all the crossings within the District on the Geographical Information System - "Watershed The System".

Soil Conservation

Forage Program - In its 24th year, 33 producers participated in the Program with 334 ha being seeded down to forage. Costs for this Program were shared at 30% District, 70% local share. As a direct result of this Program, an approximate total of 2,000 ha of saline and erosion prone land are now seeded to permanent cover.

Bufferstrip Program - The District continued in its initiative to encourage producers to seed down forages along District drainage channels. The TRWCD provided 50-50 cost sharing to producers. In the future if there is reoccurring problems along specific drains the TRWCD will only consider works if the landowner agrees and maintains a buffer strip along the drain.

Grassed Waterway Program - Five producers participated in the Program seeding down the natural waterway, preventing further soil erosion caused by water runoff. In addition, 2 grassed waterways were initiated and are planned for the 2002-03 works season.

Rural Municipality Road Allowance Seeding Program - Annually, District Rural Municipalities contract the TRWCD to seed road allowances along newly constructed roads preventing erosion. The District also provides custom spraying to Rural Municipalities and Manitoba Transportation and Government Services on a 100% cost recovery basis.

Shelterbelts/Plastic Mulch Application - One site was addressed, with others planned and not completed due to inclement weather.

Multiple Resource Projects/Recreation

The District continued with the development of the abandoned Canadian National Railway (CNR) line into a multi-use recreational trail for outdoor enthusiasts. The District will continue to encourage public participation in the proposed recreation development of the track. The TRWCD also continued to maintain and enhance 906 ha of District owned land.

Wildlife/Fisheries Projects

Wildlife Incentive Program - A one-time payment of $300 is offered to local landowners under the Wildlife Incentive Program in return for leaving private land untouched for wildlife and other conservation benefits. To date, a total 529 ha of wildlife habitat have been cooperatively set aside.

The TRWCD also rehabilitated an existing wetland in the Upper Turtle River Watershed, south of McCreary. The project will also act as a headwater storage area, water supply for livestock operations and a recreational fishing site for both the landowner and District.

As part of the school youth education endeavors, the District initiated a Rainbow Trout-Stocking Program in two historic abandoned CNR filling ponds and one District owned pond in the Rural Municipalities of Ochre River, Ste. Rose and McCreary. Students were given the opportunity to participate in conservation/habitat presentations and stock release.

Public Education and Extension

The TRWCD Conservation Farm Family in 2001 was Tony and Marie-Ange Guillas, Dean and Brenda Gamache of the Ste. Rose du Lac area. The Guillas family attended the annual Manitoba Conservation Districts Association (MCDA) Conference in Brandon, Manitoba, proving to be excellent TRWCD representatives.

The TRWCD also actively participated in the National Soil Conservation, Forestry, Wildlife and Environment Week in such activities as:

- Soil and Water Conservation coloring contest in Grade 3, open once again to all schools within the District (three prizes per class).
- Trees were distributed in partnership with Prairie Farm Rehabilitation Administration.
- Various posters and presentations were completed.
- Field trips to Riding Mountain National Park.

As a member of many organizations, the TRWCD is able to network, find partnerships and new innovative ideas. The TRWCD also supports many community efforts through supplying staff time, equipment, materials and various promotional items.

The District maintains a comprehensive, up-to-date inventory of slides and pictures of all District initiatives for educational purposes and is actively involved in community fairs, various summer events and hosts an annual banquet to inform the public on the many projects and partnerships.

Administration and Program Support

Administrative costs include staff salaries and expenses; Board and 18 Sub-District Members remuneration, rent and office operation costs. The District office staff included two full time, one term and one part time project consultant. The TRWCD also employs three full time seasonal works crews and with the assistance of the Summer Career Placement Program and the Hometown Green Team Program, two summer students are hired to assist with many District initiatives.

Upper Assiniboine River Conservation District

Introduction

The Upper Assiniboine River Conservation District (UARCD) was established in 1996. The watershed is roughly rectangular and is described by the border with Riding Mountain National Park in the north to Virden in the south and from the provincial border with Saskatchewan in the west to the town of Shoal Lake in the east. The watershed covers an area of approximately 581,182.46 ha. It is one of four Conservation Districts in Manitoba that is larger than the Province of Prince Edward Island.

Currently, the UARCD is comprised of the Member municipalities of Archie, Rossburn, Ellice, Birtle, Shoal Lake, Miniota, Hamiota and Woodworth and includes the Towns of Rossburn, Birtle, Shoal Lake and Hamiota. The District is divided into 10 watersheds or Sub-Districts with a total of 55 Sub-District members representing the watersheds.

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#72 - Upper Oak River	Wilf Chegwin/Derek Jenkins*	Shoal Lake
#73 - Lower Oak River	Bruce Cochran	Hamiota
#73A - Lower Assiniboine	Rodney Pearn	Virden
#74 - Minnewasta Creek	Rusty Still	Isabella
#74A - Arrow River	Theresa Michalchuk	Kelloe
#77 - Birdtail River	Ron Kostesky	Rossburn
#78 - Snake Creek	Oliver Low	Foxwarren
#78A - Wythes/Niso Creek	Ron Bryant	Miniota
#78B - Qu'Appelle River	Guy Huberdeau	St. Lazare
#78C Brennand/Scissor Creek	Robin Poole	McAuley
Provincial Appointee	Gerald Shier	Crandall
Board Chairperson	Leonard Sitko	Oakburn

*Derek Jenkins replaced Wilf Chegwin in the fall of 2001.

Summary

The UARCD expanded its Programs into the Rural Municipality of Archie in 2001-02. This expansion added one additional Sub-District and four Sub-District Members to the CD. Archie represents our second expansion in two years and third expansion since the District was formed.

The District experienced heavy runoff and average rains during spring and early summer of 2001, resulting in a delayed start to many of the Construction Projects the District had identified. However, dry weather from mid summer to late in the fall combined with the late onset of winter allowed ample

time and good work conditions for the completion of all planned projects.

Throughout the course of the year the District assisted landowners with 239 separate Conservation Projects, making 2001-02 the most active year in the history of the CD.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Water Management	$108,417
Wildlife	5,903
Soil Management	79,518
Public Education/Extension	26,759
Program Management	
Administration	57,523
Project Support	84,004
Assets	12,294
TOTAL	$374,418

For further details please see Auditor's Report, Appendix L.

Water Management

The primary goal of the UARCD Water Management Program is to improve water quality in both ground water and surface water resources. In an attempt to achieve this goal the Board is protecting groundwater by sealing abandoned wells. Surface water quality is enhanced by reducing infiltration by agricultural pollutants, as well as reducing types of erosion that increase sediment loading in rivers and streams of the watershed. During the course of the year these Programs included:

- Sealing 78 abandoned wells;
- Assisting with seven alternative livestock watering projects;
- Construction of two new small dams;
- Repair of three dams previously constructed by UARCD that were damaged by heavy spring run off;
- Assistance with the repair of two privately constructed dams;
- Construction or repair of three grassed runways;
- Gully stabilization project in the Birdtail valley;
- Construction of 11 new livestock crossings;
- A Riparian Restoration Project at Jim Carters designed to reduce bank slumping;
- A Stream Bank Stabilization Project of the Arrow River near its confluence with the Assiniboine; and
- A Water Quality Project designed to reduce or eliminate wintering yard runoff from entering Shoal Lake.

Water Projects were implemented with the participation of 82 landowners within the watershed.

Soil Management

The District recognizes that soil resources are vitally important to the watershed for many reasons. First, watershed management begins in the upland where rainfall and runoff start. Healthy uplands reduce erosion and result in improved water quality and watershed health. Second, the District is a predominantly agricultural area. The economy of the area depends upon healthy soil resources. Consequently, practices improving the health and longevity of soil resources should be promoted.

In order to achieve these goals the CD offered the following Programs:

- Rotational grazing funding and plans were provided to ten landowners.
- The Saline Seed Program provided seed to 17 landowners sowing 100.2 ha of problem saline areas to permanent cover.
- Through the Forage Seed Program 72 landowners applied to sow 1,507.49 ha of land to permanent cover.
- The District provided an incentive to sow winter cereals. The Board hopes the Program will increase the number of ha of no-till, improve spring soil cover and increase wildlife habitat. Thirteen landowners took advantage of this enrolling over 241 ha of cropland.
- UARCD assisted 14 landowners with the design and planting of over 10 km of shelterbelts.
- A no-till drill was maintained in the Miniota area to encourage reduced tillage. It eventually sowed 289 ha for 10 landowners.

Soil Conservation Projects were implemented with the assistance of 137 cooperating landowners in the CD.

Public Education and Extension Services

The District has committed to a public education and extension strategy for its residents. Area schools have been identified as a key component in this strategy. During 2001-02 the District offered more Education Programming than in any previous year.

Education Projects included:

- Conservation in the classroom, a tree planting education seminar for area students that reached every school in the District. The seminar was sponsored by Manitoba Hydro and not only provided an introduction to tree planting for the students, it also introduced many students to the CD.
- Participation in several educational days throughout the District.
- A "Bovines and Shorelines" Seminar was offered which provided landowners the tools to assess the quality of their riparian pastures as well as options for the management of these areas.
- Two newsletters describing District activities were published and bulk mailed to all boxes within the watershed and a special newsletter was produced for residents of Archie.
- Decker School was sponsored at the Provincial Enviro-Thon competition.
- Water quality education through sampling of the Arrow River continued at Decker School;
- An environmental field sampling day was conducted at Hamiota Collegiate.
- A youth speaking competition was held.
- For the first year a conservation display competition was held with the winners coming from Rossburn Collegiate.
- Educational displays of working watershed models were set up at fairs around the CD.

- Several articles were produced for the local and provincial newspapers and included:
  - well inspection and shock chlorination in the crossroads;
  - bovines and shorelines highlighted in the Brandon Sun and numerous agricultural periodicals;
  - livestock crossing articles appeared in the Cattleman's Corner and Crossroads;
  - Decker Envirothon team was written up in the Crossroads, Virden Empire Advance and Russell Banner; and
  - Farm Family articles appeared in the Virden Empire Advance, Crossroads, and Russell Banner.
- A forage plot with several different varieties of trees was maintained in the Minnewasta Sub-District.
- The DUC Eco-Van was sponsored for a tour of area schools.
- Our first generation management plan was completed this year and will be distributed early in 2002-03.

Administration

This Program includes staff salaries and expenses, remuneration for Board and Sub-District Members, rent and other operating costs. Staffing remained unchanged during 2001-02, however, the number of Sub-District representatives increased with the addition of the Rural Municipality of Archie.

Wildlife and Habitat Programs

As outlined in our recently completed management plan the District does not take the lead role, but will instead assist agencies whose primary mandate are Wildlife or Habitat Programs.

Following this directive the Board:

- Continued our conservation partnerships with Ducks Unlimited Canada (DUC) and Delta Waterfowl.
- Secured funding for twice over rotational grazing demonstration with much thanks to Critical Wildlife Habitat staff for their work on this grant.
- Assisted the Hamiota Conservation Authority with trout stocking at Pope National Wildlife area.
- Continued to offer Demonstration Projects of new technology to combat the negative effects of high beaver populations.

External Funding

As usual there were several conservation agencies partnering with the District on various projects during 2001-02. Conservation partnerships and cooperative resource management are important to UARCD and we look forward to expanding these partnerships in the future.

Program/Partner	Funding
EcoAction*	$33,000
Ducks Unlimited Canada	23,500
Covering New Ground	14,190
Delta Waterfowl	3,000
Prairie Farm Rehabilitation Administration (Rural Water Development Program)	6,933
Green Team	2,596
Canadian Council for Human Resources in the Environment Industry	3,192
Manitoba Conservation – Fisheries Department	1,500
Summer Career Placement	2,127
Manitoba Hydro – Forestry Enhancement Fund	5,000
Geographic Information System Partners Revenue	3,410
Shoal Lake Water Quality Enhancement Corporation	2,917
TOTAL	$101,365

*UACD was the funding proponent for money spent in three CDs Districts by a Board consisting of Manitoba Conservation, Manitoba Agriculture and Food, Crown Lands, Manitoba Cattle Producers Association, Environment Canada, West Souris River Conservation District and Manitoba Habitat Heritage Corporation. This grant does not show up in the audited accounts of the CD.

West Souris River Conservation District

Introduction

The West Souris River Conservation District (WSRCD) was officially incorporated as Manitoba's seventh Conservation District on January 1, 1995. Expansion of the District on April 1, 1999 added the Rural Municipality (RM) of Cameron to the original membership of Albert, Edward, Pipestone and Sifton Municipalities. A total of seven Sub-Districts were formed on the basis of the watersheds of the several creeks within the District.

The WSRCD covers approximately 4,195 km^2 of southwestern Manitoba. Soils are generally light and prone to erosion. Communities in WSRCD face numerous challenges in sustaining long-term, productive use of their natural resource base. District Programs have been designed to locally manage soil and water resources in the area.

WEST SOURIS RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#98 - North Pipestone/Sifton	Richard Thiry	Oak Lake
#62 - Plum Creek	Doug Wilson	Reston
#63 - Stony Creek	Lloyd Atchison	Pipestone
#64 - Jackson/Graham Creek	Manson Moir	Tilston
#65 - Gainsborough/South Antler	Tim McMechan	Lyleton
#67 - Central Souris River	Gordon White	Hartney
#68 - Elgin Creek	Greg More	Elgin
Provincial Appointee	Bill Henderson	Oak Lake
Board Chairperson	Gregg Fotheringham	Reston

Summary

Partnerships for Program delivery were formed with many agencies including Ducks Unlimited Canada (DUC), Manitoba Habitat Heritage Corporation (MHHC), Fisheries Enhancement Initiative (FEI), Rural Water Development Program (RWDP), Prairie Farm Rehabilitation Administration (PFRA) and Manitoba Hydro.

Water management in WSRCD included a wide array of projects aimed at water quality and quantity. Water quality issues were addressed through testing of ground and surface water sources as well as the sealing of old wells. Development of new wells increased, as did the use of alternative water systems for livestock. Watershed planning advanced through the Three Creeks Water Management Association to the point of strong interest from Saskatchewan to implement similar Programs.

Uptake of Soil Management Programs remained strong. The Covering New Ground Program helped to

provide a well rounded Soils Program.

An expansion of WSRCD boundaries will take place in 2002 to include a portion of the RM of Wallace.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Water Management	$96,233
Soil Management	86,322
Public Education and Awareness	40,586
Wildlife Management	41,993
Administration (Amortization included)	126,078
Project Support	77,683
Assets	27,987
Other	3,629
TOTAL	$500,511

For further details please see Auditor's Report, Appendix M.

Water Management

The second year of a Water Inventory and Investigation Program, focused on a survey of all rural residences in WSRCD. The survey resulted in important water information being collected on sources throughout the CD. A second phase included general water quality analyses on 178 wells. Workshops held in three communities provided residents with answers to their test results. Surface water testing continued on all streams in WSRCD. Data has been collected annually since 1996.

The District assisted in the sealing of 11 old wells. Water Development Projects funded in part by WSRCD totalled 15. In excess of 30 referrals were made to The Manitoba Water Services Board for assistance with Rural Water Development Projects.

WSRCD continued to be well represented on the Oak Lake Aquifer Management Advisory Board having their Manager and two Board Members sitting on four of the implementation committees. Watershed planning with the Three Creeks Water Management Association continued. Past planning sessions of this association have prompted a recent announcement by Saskatchewan that watershed Districts modelled after Manitoba's Conservation District Program will be set up in that province. A request was received from the RM of Sifton for the CD to initiate a watershed planning process on the Pipestone Creek.

The construction of a bypass channel on the Jackson Creek near Tilston was completed. The Project will eliminate the flooding of a feedlot several hundred metres from the creek caused by overgrown conditions on a half km reach of the creek.

At the request of the RM of Pipestone, a pilot project was initiated (Pipestone Creek Riparian Conservation Project) for the removal of dead elm trees along 10.62 km of the Pipestone Creek. Many dead elms end up in the creek and have caused extensive erosion and localized flooding caused by logjams. The purpose of this Pilot Project was to evaluate the cost and feasibility of a large scale clean

up along the creek.

Soil Management

Fifty producers ordered forage seed through a bulk seed order coordinated by WSRCD. Fifty-two ha of light soils were returned to annual crop through the Forage in Rotation Program. Thirteen producers addressed droughty, light, saline or flood prone soils on 283 ha through the Forage for Problem Soils Program. DUC provided saline tolerant forage mixtures to 11 producers.

New shelterbelts on 16 sites totalled 12.87 km. New for this year was the use of plastic weed barriers. Mechanical maintenance continued on 64.3 km of shelterbelts planted in the previous 3 years.

The District's no-till drill sowed 830 ha of forages and annual crops.

The Mixed-Grass Prairie Grazing Project now includes three native pastures in WSRCD. These sites were host to a tour in the summer to highlight the results and improvements gained through a twice-over rotational grazing plan.

Public Education and Awareness

Public education and awareness in WSRCD continues to improve in many ways. This year saw increased support and assistance from partnership agencies to deliver Informational Programs to WSRCD residents, in particular students.

School Programs included aquatic insect studies, Oak Hammock Marsh's "On the Go" Program, classroom conservation, shelterbelt studies and the Clean Stream Team. New this year was an aquifer protection awareness campaign in the form of a poster contest that with the help of PFRA and members of the Oak Lake Aquifer Management Advisory Board Education Committee visited eight schools.

The Canupawakpa Nature Trail was popular again and staff gave several guided tours to 4-H and school classes.

A partnership that included a number of external agencies allowed for the development of a community orchard. Appropriately called, APPLES (A Planting Partnership Leaves Everyone Something), this Project saw over 2,000 fruit trees and shrubs planted in the community.

Ron, Wendy and Brooks White of Lyleton represented WSRCD as the Conservation Farm Family.

Wildlife

Three Forage Programs - Grow Your Own Nitrogen, Salinity Seed and a Blended Clover were initiated. A Winter Wheat Program enrolled eight first time producers.

A stream inventory examined four streams in WSRCD to assess fish habitat, land use adjacent to the

streams and obstructions to fish movement. Aeration on Oak Lake was not required during the winter of 2001-02 as oxygen levels remained adequate.

Administration

Administrative costs include staff salaries, reimbursed expenses and office/shop operation costs. Reimbursement for office space and secretarial duties continued to be provided by MHHC.

Project Support

Project support costs consisted of equipment maintenance and leases, remuneration for the Board and Sub-District Members and salaries for technical support staff and Program coordination and planning.

Assets

Additions to office and support equipment included computer printers, pipeline plough, lawn tractor for maintenance of the Canupawakpa Trail, laser level for survey purposes and a water pump for the abandoned wells Program. The annual debenture payment for office financing is also included.

Other

Includes the portion of Goods and Sales Taxes not available for a rebate.

New Advancements

Discussions took place during this fiscal year with the RM of Wallace, UARCD and WSRCD regarding entry of the RM of Wallace into the two adjacent CDs. The largest portion of Wallace will join UARCD with the area south of the Gopher Creek joining WSRCD.

Whitemud Watershed Conservation District

Introduction

The Whitemud Watershed Conservation District (WWCD), incorporated in March 1972, includes approximately 711,495 ha extending from Carberry north to Kelwood and from Portage Diversion west toward Minnedosa.

The area includes all or portions of the Rural Municipalities of Alonsa, Clanwilliam, Elton, Glenella, Lakeview, Langford, Lansdowne, McCreary, Minto, North Cypress, North Norfolk, Odanah, Portage la Prairie, Rosedale and Westbourne, the Towns of Gladstone and Neepawa and the Village of MacGregor. There are 8 Sub-Districts, determined by the drainage basins of the major tributaries of the Whitemud River. There are 67 Sub-District Members who act in an advisory capacity to the main Board, with each committee chairperson sitting on the Board.

WHITEMUD WATERSHED CONSERVATION DISTRICT
BOARD MEMBERS 2001-02

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#35 - Willowbend Creek	Tom Tunski	Rossendale
#36 - Westbourne Drain	Bill Wieler	MacGregor
#37 - Squirrel Creek	Minnie Parynuik	MacGregor
#38 - Pine Creek	Roy McConnell	Gladstone
#39 - Central Whitemud	Wayne Csversko	Neepawa
#40 - Upper Whitemud	Wes Pankratz	Minnedosa
#42 - Big Grass Marsh	Einar Sigurdson	Lakeland
#43 - Big Grass River	Danny Post	Waldersee
Provincial Appointee	Bud G. Johnson	Neepawa
Board Chairperson	Robert Rodgers	MacGregor

Summary

Water management issues due to above normal runoff dominated the District's 2001-02 year with overland flooding in the District as a whole. Spring and early summer rains led to further flooding and numerous repairs. The conditions from August to November allowed for an exceptional works Program to be completed.

The 2001-02 year was highlighted by the first year of the Drainage Pilot Project between the District and Manitoba Conservation. The project aims to increase efficiency, improve controls and provide more local decision making in drainage licensing. The Board was extremely pleased with the success of this initiative in its first year. One hundred files were finalized by the Board with over 80% of the files being modified on-site by the nearly 400 residents of the District who were involved in the process.

In the Water Control Program, 960 km of drainage channels were mowed, 34 km of drains were upgraded, 28 grassed runways were completed, 10 Creek Fencing Projects to improve riparian areas were constructed and 2 Bank Stabilization Projects were completed. Sixty-eight bridge and culvert crossings were repaired and 25 crossings were replaced. The District was able to utilize the Special Crossing Infrastructure Fund to replace the 25 crossings and significantly increase the life expectancy of 28 of the 68 crossings that were repaired.

The District also replaced five crossings under the terms and conditions of the Memorandum of Understanding on Provincial Road/Provincial Trunk Highway (PR/PRH) crossings.

Soil Conservation initiatives saw 79 landowners seed down 1,461 ha of erosion risk soils to forages and 32 km of field shelterbelts planted. Jim and Marion Kolesar won the Conservation Farm Family Award. Shelterbelt Awards were presented to Leonard Johnstone, Stephenson Farms and J.P. Wiebe & Sons.

The District sponsored a number of conservation education initiatives with area schools, highlighted by the "Johnny Appleseed" Program provided 250 apple trees to Grade 5 students in 11 area schools.

The WWCD received over 5,000 calls and met on-site with over 600 residents of the District in 2001.

TOTAL EXPENDITURES 2001-02

Activity	Expenditure
Water Management	
Maintenance	$426,711
Crossings	192,620
Soil Conservation	165,655
Habitat and Wildlife	66,527
Public Education/Extension	27,052
Program Management	
Administration	126,952
Program Support	128,039
Assets	
Infrastructure Reserve Account	135,432
Office Equipment	2,748
Flood Expenses	94,432
Drainage Pilot Project	11,223
TOTAL	$1,377,391

For further details see Auditor's Report, Appendix N.

Water Management

The District's Water Management Program includes the responsibility for the maintenance and reconstruction of 1,760 km of man-made drains. It also includes the repair and replacement of bridges and culvert crossings (1,265 in total). Other water management activities include construction of grassed runways to prevent soil erosion, small dam construction to store water, shale trap installation

to prevent channel sedimentation and Gully Stabilization Projects. The District completed water quality sampling along the Whitemud River in partnership with Manitoba Conservation.

In addition to the Drainage Pilot Project, the District advanced its Water Retention Concept in 2001 by surveying two potential sites to determine storage capacity. At the two sites it was discovered over 1,600 acre feet of water could be retained. Based on this information the District has been pursuing external funding to conduct a pre-feasibility and engineering design of the sites.

Flood costs totalled $94,426 of which $64,471 was covered by Emergency Measures Organization (EMO).

Each Sub-District implemented one or more specified projects within its area. They are as follows:

Sub-District #35:

- Three crossings replaced through Special Crossing Infrastructure Program.
- Maintenance on 14 crossings.
- Reshaping done on Braden, Dickson, Rat Creek, Lelant, Hulme and Wolfe Drains.
- Partnered with Rural Municipality of Portage la Prairie and Province on a Diversion Project.
- Mowing maintenance.
- Snow removal for farmyard protection in spring runoff.
- Repair works from spring, summer flood.

Sub-District #36:

- Maintenance on nine crossings.
- Five crossings replaced through Special Crossing Infrastructure Program.
- Survey and design Water Retention Project.
- Reshaping done on Westbourne and Bagot Drains.
- Mowing maintenance.
- Repair works from spring and summer flood.

Sub-District #37:

- Maintenance done on 11 crossings.
- Control of leafy spurge and small shrubs.
- Six crossings replaced through Special Crossing Infrastructure Program.
- Reshaping done on Orangeville and Austin Drains.
- Mowing maintenance.
- Snow removal farmyard protection in spring runoff.
- Repair works from spring and summer flood.

Sub-District #38:

- Maintenance on eight crossings.
- Two crossings replaced through Special Crossing Infrastructure Program.
- Control of leafy spurge and small shrubs.
- Mowing maintenance.
- Snow removal farmyard protection in spring runoff.
- Repair works from spring and summer flood.

Sub-District #39:

- Maintenance on 13 crossings.
- Control of leafy spurge and small shrubs.
- Two crossings replaced through Special Crossing Infrastructure Program.
- Fourteen runways worked on.
- Two bank stabilizations.
- Mowing maintenance.
- Snow removal farmyard protection in spring runoff.

- Repair works from spring and summer flood.
- Five drains worked on.

Sub-District #40:
- Worked on 15 runways.
- Maintenance on three crossings.
- Mowing maintenance.
- Beaver dam maintenance.

Sub-District #42:
- Maintenance on 12 crossings.
- Control of leafy spurge.
- Seven crossings replaced through Special Crossing Infrastructure Program.
- Cleanout on Prairie Farm Rehabilitation Administration (PFRA), Sollner, Sigurdson and Jordan Drains.
- Mowing maintenance.
- Yard/Dyke Program.
- Surveys obtained on another four drains for proposed works.

Sub-District #43:
- Maintenance on 17 crossings.
- Mowing, small shrub spraying and hand brushing.
- Seven crossings replaced through Special Crossing Infrastructure Program.
- Cleanout of Glenella, Alonsa, Glencairn, Little Pocket, Waterline and Walker Drains.
- Beaver dam removed.
- Two shale traps constructed.
- Repair works from spring and summer floods.

Soil Conservation

Forage Assistance Program: There were 1,461 ha seeded to forage by 79 landowners. Cost sharing was 75% landowner and 25% District.

Shelterbelt Assistance Program: There were 32 km of new plantings, including field shelterbelts, wildlife tree plantings and block tree plantings. There was 260 km of shelterbelts cultivated. Shelterbelt Awards were presented to Leonard Johnstone, Stephenson Farms and J.P. Wiebe & Sons.

Riparian Program: Four "Healthy Streambanks" Projects were developed to promote livestock management and improved riparian areas within the Whitemud River Watershed.

Wildlife and Habitat Programs

Wildlife Habitat Preservation: Three new Wildlands Projects were established and signs were erected at each site. Six Riparian Projects were completed in the Upper Whitemud Basin Study area. This study identified over 50 potential projects to improve habitat, wildlife and farming practices along Stoney Creek, Boggy Creek and Brookdale Drain.

Public Education and Extension Services

- Sixty-nine Boy Scouts planted 5,000 trees north of Arden
- Tree plantings at Neepawa, Eden and Austin Schools
- Two hundred fifty Grade 5 students received a 5 foot apple tree
- Whitemud Newsletter distributed to all households
- District appeared in print media over 70 times
- Utilized radio advertising for Programs and promotion
- Over 20 presentations/tours given, highlighted by 12 presentations to students and 4 producer seminars with a total of 1,500 people attendance
- Conservation magazine subscriptions purchased for 12 school libraries
- 30th Annual Whitemud Bonspiel held
- Met once with all 18 councils in District
- Distribution of District placemats (20,000) highlighting District works

External Funding

The Board had an excellent year regarding cooperative partnership projects and external funding assistance. A summary is as follows:

Program/Partner	Funding
Summer Career Placement/Hometown Green Team	$4,377
Fisheries Enhancement Initiative	42,797
PR/PTH MOU with Intergovernmental Affairs ($74,413 spent)	230,470
Beautiful Plains Agricultural Society	12,000
Riding Mountain Biosphere	1,500
Manitoba Habitat Heritage Corporation	6,635
Special Crossing Infrastructure Fund	75,000
EMO (Flood Assistance)	64,471
TOTAL	$437,250

Administration

This Program includes staff salaries and expenses, remuneration for Board and Sub-District Members, rent and operating costs. Staffing remained unchanged for 2001-02.

ALONSA CONSERVATION DISTRICT NO. 3

FINANCIAL STATEMENTS

MARCH 31, 2002

ALONSA CONSERVATION DISTRICT NO. 3

MARCH 31, 2002

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THE EXCHANGE

chartered accountants

AUDITORS' REPORT

To the Members of the Board
Alonsa Conservation District No. 3
Alonsa, Manitoba

We have audited the balance sheet of Alonsa Conservation District No. 3 as at March 31, 2002 and the statement of revenues, expenditures and surplus (deficit) for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2002 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

The Exchange

chartered accountants

Winnipeg, Manitoba
July 4, 2002

[illegible] 123 Main Street Winnipeg Manitoba R3B 0R3
Telephone (204) 943-4584 Fax (204) 957-5191
E-mail [illegible]@exg.ca Website www.exg.ca

ALONSA CONSERVATION DISTRICT NO. 3

BALANCE SHEET
AS AT MARCH 31, 2002

	2002	2001
ASSETS		
CURRENT		
Accounts receivable		
General	$ 31,843	$ 42,432
Province of Manitoba	34,881	12,843
	66,724	55,275
FIXED, notes 1 and 2	6,138	9,077
	$ 72,862	$ 64,352
LIABILITIES		
CURRENT		
Bank overdraft	$ 12,258	$ 42,064
Unexpended grants, note 3	43,483	30,149
	55,741	72,213
EMERGENCY RESERVE ACCOUNT	10,000	10,000
SURPLUS		
SURPLUS (DEFICIT)	7,121	(17,861)
	$ 72,862	$ 64,352

COMMITMENTS, note 5

APPROVED BY THE BOARD:

_____ Chairman

_____ Member

ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF REVENUES, EXPENDITURES AND SURPLUS (DEFICIT)
YEAR ENDED MARCH 31, 2002

	2002	2001
REVENUES		
Province of Manitoba allocated grant	$ 252,038	$ 219,444
Municipal grants	57,200	57,200
Farmer assistance revenue	20,934	27,683
Grant revenue, page 6	127,908	40,778
Sundry	4,324	341
	462,404	345,446
EXPENDITURES		
Projects expenditures, page 6	298,581	159,797
Board remuneration and expense	5,610	10,268
Other administration	18,134	23,112
Staff wages	34,391	59,632
Soils	45,772	57,865
Public relations and education	14,037	11,470
Summer Career, Partners with Youth, and Green Team programs	19,549	15,392
Fisheries	229	4,578
Wildlife	1,196	1,419
Vehicle	6,442	11,839
GST recovered	(6,745)	(7,129)
Professional development	226	1,019
	437,422	349,262
EXCESS REVENUE (EXPENDITURE)	24,982	(3,816)
DEFICIT, beginning of year	(17,861)	(14,045)
SURPLUS (DEFICIT), end of year	$ 7,121	$ (17,861)

ALONSA CONSERVATION DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2002

1. SIGNIFICANT ACCOUNTING POLICY

The financial statements of the District have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policy summarized below:

(a) Depreciation

Depreciation on equipment is calculated on a straight-line basis at 15% and on the computer equipment at 25% per annum and prorated in the year of acquisition.

2. FIXED ASSETS

	Cost	Accumulated Depreciation	2002 Net Book Value	2001 Net Book Value
Office equipment	$ 51,860	$ 48,557	$ 3,303	$ 4,140
Computer hardware	10,542	7,707	2,835	4,937
	$ 62,402	$ 56,264	$ 6,138	$ 9,077

3. UNEXPENDED GRANTS

	2002	2001
Ducks Unlimited	$ 3,483	$ 3,483
Infrastructure Reserve Fund	40,000	26,666
	$ 43,483	$ 30,149

4. STATEMENT OF CASH FLOWS

A separate statement of cash flows is not presented since cash flows from operating, investing and financial activities are readily apparent from the other financial statements.

ALONSA CONSERVATION DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2002

5. COMMITMENTS

The District entered into a three year operating lease on a 1999 GMC 4x4 at a monthly commitment of $600 expiring May, 2002. Subsequent to the end of the year, the District leased another vehicle. This lease calls for monthly payments of $538 expiring March, 2006. Future minimum lease payments are:

2003	$	7,746
2004		6,546
2005		6,546
2006		6,546

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF GRANT REVENUE AND PROJECTS EXPENDITURES
YEAR ENDED MARCH 31, 2002

	2002	2001
GRANT REVENUE		
Summer Career Placement Program	$ 944	$ 1,252
Manitoba Hydro	-	5,000
Lone Spruce Road	29,668	-
Green Team Program	9,632	9,750
PR/WWCD Project	866	-
Fisheries Enhancement Fund	9,500	8,550
National Soil and Water Conservation Program	-	3,317
Structure Replacement	34,560	-
Birdwatchers Fund	238	819
Culture and Heritage - Tobacco Rock	-	2,404
SDIF Projects	35,000	-
World Wildlife Fund - LAFES	7,500	9,686
	$ 127,908	$ 40,778
PROJECTS EXPENDITURES		
Ceremonial Site	$ -	$ 13,137
Amaranth Marsh Project	11,591	-
Forestry	563	238
Flood	64,695	-
Structure Replacement	41,702	-
Fisheries Habitat Enhancement	-	10,052
SDIF Projects	40,621	-
Miscellaneous crossing repairs	22,206	17,497
Water	23,694	23,643
Channel Maintenance	66,748	38,901
Channel Maintenance - Beavers	23,896	37,081
World Wildlife Fund - LAFES	-	10,946
Trail Maintenance	671	3,925
National Soil and Water Conservation Program	-	1,195
On-Site Program	2,194	3,182
	$ 298,581	$ 159,797

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2002
(Unaudited)

	Total	% Shareable Prov./Dist./ External	Province Share	District Share	External Share
PROJECTS AND PROGRAMS					
Trails Maintenance	$ 672	75/25/0	$ 504	$ 168	$ -
Summer Career Placement	4,365	59/19/22	2,566	855	944
Public Relations and Education	14,037	70/24/6	9,878	3,293	866
Professional development	226	75/25/0	169	57	-
On-Site Placement Program	12,932	13/4/83	1,645	549	10,738
SDIF - Project 1	26,912	26/9/65	7,059	2,353	17,500
Green Team	15,183	27/9/64	4,164	1,388	9,631
Forage Seed Program	45,507	55/45/0	25,000	20,507	-
Soils Conservation Program	265	75/25/0	199	66	-
Amaranth Marsh Project	11,591	20/6/74	2,281	760	8,550
MRAC Watering Project	8,816	0/0/100	-	-	8,816
Wildlife Habitat	1,196	75/25/0	897	299	-
Fish Spawning	229	75/25/0	172	57	-
Forestry	563	75/25/0	422	141	-
Channel Maintenance	132,133	75/25/0	98,583	33,550	-
Special Projects Funding	29,668	0/0/100	-	-	29,668
Channel maintenance-Beavers	23,896	75/25/0	17,922	5,974	-
Mellonville Drain Project	2,000	75/25/0	1,500	500	-
Structure Replacement	41,702	13/4/83	5,357	1,785	34,560
Surveying and Engineering	5,000	75/25/0	3,750	1,250	-
Abandoned Well Projects	3,360	75/25/0	2,520	840	-
SDIF - Project 2	13,709	0/0/100	-	-	13,709
Crossings	22,206	75/25/0	16,655	5,551	-
GST refund	(6,745)	75/25/0	(5,059)	(1,686)	-
Infrastructure Reserve Fund	13,334	75/25/0	10,000	3,334	-
	422,757		206,184	81,591	134,982
PROGRAM SUPPORT					
Board remuneration	5,610	75/25/0	4,208	1,402	-
Office administration	14,696	75/25/0	11,022	3,674	-
100% Board administration	498	0/100/0	-	498	-
Manager salaries and expenses	34,391	75/25/0	25,793	8,598	-
Vehicle expenses	6,442	75/25/0	4,831	1,611	-
	61,637		45,854	15,783	-

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2002
(Unaudited)

	Total	% Shareable Prov./Dist./ External	Province Share	District Share	External Share
OTHER PROGRAMS					
A. Robertson Museum	6,762	0/0/100	-	-	6,762
ASSETS					
Non-cost shared depreciation	2,939	0/100/0	-	2,939	-
TOTAL	$ 494,095		$ 252,038	$ 100,313	$ 141,744

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE
YEAR ENDED MARCH 31, 2002

	2002	2001
Provincial Grant	$ 230,000	$ 218,000
Less, receivable, beginning of year	12,843	11,399
	217,157	206,601
Less: Provincial allocation	252,038	219,444
Receivable, end of year	$ 34,881	$ 12,843

COOKS CREEK
CONSERVATION DISTRICT NO. 5

FINANCIAL STATEMENTS

MARCH 31, 2002

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5	Statement of Revenue and Expenditures
6	Statement of Cash Flows
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9 - 10	Schedule of Expenditures
11	Schedule of Cost Sharing

Jim M. Smith
Chartered Accountant Inc.

Telephone (204) 325-8033
Telefax (204) 325-5357
Toll Free 1-888-783-4040
grnsmith@web4.net

240 Main Street
Box 580
Winkler, Manitoba
R6W 4A7

AUDITOR'S REPORT

TO THE MEMBERS:
COOKS CREEK CONSERVATION DISTRICT NO. 5

I have audited the balance sheet of Cooks Creek Conservation District No. 5 as at March 31, 2002 and the statements of changes in surplus, revenue and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Province of Manitoba has not approved the funding of the prior years' over-expenditures. As a result I am unable to confirm or verify by alternative means the unfunded deficit included in the financial statements totalling $331,681. Accordingly, I was not able to determine whether any adjustment might be necessary to unfunded deficit, revenue and excess of revenue over expenditures.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself with respect to the balance of the unfunded deficit described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2002 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Jim M. Smith

CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
May 14, 2002

COOKS CREEK CONSERVATION DISTRICT NO. 5

BALANCE SHEET

MARCH 31, 2002

ASSETS

	2002	2001	2000
CURRENT			
Cash	$ 3,510	$ 47,857	$ 112,359
Accounts receivable (note 2)	11,045	16,340	14,230
Accounts receivable - Province of Manitoba	-	-	154,865
Prepaid expense	1,259	359	3
	15,814	64,556	281,457
CAPITAL (note 4)	30,361	30,361	30,360
INVESTMENT (note 5)	9,000	9,000	9,000
UNFUNDED DEFICIT (note 3)	331,681	331,681	220,339
	$ 386,856	$ 435,598	$ 541,156

APPROVED BY

Director

Director

Jim M. Smith
Chartered Accountant Inc.

COOKS CREEK CONSERVATION DISTRICT NO. 5

BALANCE SHEET

MARCH 31, 2002

LIABILITIES

	2002	2001	2000
CURRENT			
Accounts payable	$ 16,871	$ 156	$ 132,509
SURPLUS			
SURPLUS (page 4)	369,985	435,442	408,647
	$ 386,856	$ 435,598	$ 541,156

Comparative figures (note 7)

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF CHANGES IN SURPLUS

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001	2000
Surplus, beginning of year	$ 435,442	$ 408,647	$ 326,050
Excess (deficiency) of revenue over expenditures	(65,457)	26,795	66,865
Transfer capital purchases net of direct funding	-	-	15,732
SURPLUS, END OF YEAR	$ 369,985	$ 435,442	$ 408,647

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001	2000
REVENUE			
Municipal levies			
Rural Municipality of Brokenhead	$ 282	$ 282	$ 282
Rural Municipality of Ste. Anne	1,984	1,995	1,984
Rural Municipality of Springfield	116,224	116,089	115,902
Rural Municipality of Tache	7,027	6,995	6,942
Provincial grants			
Rural development - funded	205,000	192,000	192,000
- unfunded	-	111,342	(25,764)
Other funding	17,079	6,971	7,284
GIS partnership	3,000	-	-
Canada Employment	2,168	2,112	2,112
Cost sharing - Salmon Lake study	200	4,494	-
Drainage and crossing projects			
Rural Municipality of Brokenhead	-	-	1,277
Rural Municipality of Springfield	246,496	82,559	12,397
Rural Municipality of Tache	-	7,000	-
Manitoba Conservation	13,500	2,500	9,000
Manitoba Environment	11,166	13,813	13,984
Manitoba Water Services Board			
Special crossings infrastructure fund	195,000	-	-
National soils and PFRA	1,926	3,041	2,819
Structure replacement			
Provincial	-	-	450,000
Rural Municipality of Springfield	-	-	150,000
Interest income	1,092	3,427	1,821
	822,144	554,620	942,040
EXPENDITURES			
Program management (page 9)	91,751	76,358	70,296
Public education (page 9)	13,931	10,844	9,954
Assets (page 9)	4,675	-	4,187
District programs (page 10)	777,244	440,623	790,738
	887,601	527,825	875,175
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ (65,457)	$ 26,795	$ 66,865

Jim M. Smith
Chartered Accountant Inc.

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenue over expenditures	$ (65,457)	$ 26,795	$ 66,865
Adjustment for:			
Amortization	-	-	3,293
	(65,457)	26,795	70,158
Changes in non-cash working capital (note 6)	21,110	(91,297)	(32,141)
Cash flows from (used in) operating activities	(44,347)	(64,502)	38,017
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of capital assets	-	-	(15,732)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfer capital purchases to capital assets	-	-	15,732
NET INCREASE (DECREASE) IN CASH	(44,347)	(64,502)	38,017
Cash at beginning of year	47,857	112,359	74,342
CASH AT END OF YEAR	$ 3,510	$ 47,857	$ 112,359

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002

1. SIGNIFICANT ACCOUNTING POLICIES

a) **Inventories**

Inventories of materials and supplies are not taken into account. Such items are expensed in the year purchased.

b) **Income taxes**

Cooks Creek Conservation District No. 5 is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Capital assets**

Effective with the fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase. Amortization of capital assets is no longer being provided for in the District's records.

2. ACCOUNTS RECEIVABLE

	2002	2001	2000
Goods and services tax	$ 11,045	$ 7,836	$ 14,230
Rural Municipality of Springfield	-	8,504	-
	$ 11,045	$ 16,340	$ 14,230

3. UNFUNDED DEFICIT

Grants are received from the Province of Manitoba. A deficit results when District expenditures, which are cost-shared with the Province, exceed amounts for which funding has been received. During the year the Board of Directors passed a resolution that annual deficits no longer be added to the accumulated unfunded deficit.

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2002	2001	2000
Land	$ 8,454	$ -	$ 8,454	$ 8,454	$ 8,454
Office & computer equipment	31,625	21,277	10,348	10,348	10,347
Program support equipment	18,472	6,913	11,559	11,559	11,559
	$ 58,551	$ 28,190	$ 30,361	$ 30,361	$ 30,360

5. INVESTMENT

In 1998, the District purchased GIS software and invested in a GIS partnership fund. The investment is stated at cost.

6. CHANGES IN NON-CASH WORKING CAPITAL

	2002	2001	2000
Increase (decrease) in cash from changes in:			
Accounts receivable	$ 5,295	$ (2,110)	$ 21,972
Accounts receivable - Province of Manitoba	-	154,865	(154,865)
Unfunded deficit	-	(111,342)	25,764
Prepaid expenses	(900)	(359)	29
Accounts payable	16,715	(132,351)	79,459
Unearned revenue	-	-	(4,500)
	$ 21,110	$ (91,297)	$ (32,141)

7. COMPARATIVE FIGURES

Certain of the comparative figures for expenditures have been restated to conform with presentation adopted for the current year. Excess (deficiency) of revenue over expenditures for prior years is unchanged.

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001	2000
PROGRAM MANAGEMENT			
Administrator assistant wages	$ 1,376	$ -	$ -
Administrator wages and expenses	27,208	17,610	19,096
Amortization	-	-	3,293
Audit and legal	1,210	1,082	1,082
Board expenses (100%)	5	880	587
Board remuneration and expenses	15,168	9,682	7,368
Insurance	785	1,078	1,114
Manager expenses	-	1,331	888
Manager salary and benefits (portion only)	30,772	32,908	23,513
Office operation	4,060	1,143	1,545
Printing, postage and stationery	2,620	930	2,176
Rent	4,862	6,837	6,638
Utilities	3,685	2,877	2,996
	$ 91,751	$ 76,358	$ 70,296
PUBLIC EDUCATION	$ 13,931	$ 10,844	$ 9,954
ASSETS	$ 4,675	$ -	$ 4,187

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001	2000
DISTRICT PROGRAMS			
WATER			
Channel maintenance	$ 103,132	$ 118,801	$ 83,413
Engineering and management	19,659	49,073	36,218
Reconstruction	57,159	116,791	42,400
Structure replacement	-	-	582,112
Tributary drains	292,769	66,616	-
Water retention studies	8,634	6,052	-
CROSSINGS			
Infrastructure replacement	261,655	-	-
Repairs	16,569	57,398	19,434
OTHER			
Abandoned wells	5,779	9,123	5,456
Creek water quality testing	11,888	14,747	14,899
Fisheries inventory	-	2,022	6,506
Riparian demonstration	-	-	300
	$ 777,244	$ 440,623	$ 790,738

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2002

	Total Expenditures	External	Provincial	Local Levy	Local Other
ADMINISTRATION					
Office operation	$ 18,120	$ -	$ 11,701	$ 6,419	$ -
Wages and expenses	73,631	3,090	43,123	22,304	5,114
	91,751	3,090	54,824	28,723	5,114
ASSETS					
Office equipment	4,675	-	3,506	1,169	-
PUBLIC EDUCATION	13,931	-	9,964	3,321	646
WATER					
Channel maintenance	103,132	7,195	71,683	23,894	360
Engineering and management	19,659	4,418	11,431	3,810	-
Reconstruction	57,159	620	42,404	14,135	-
Tributary drains	292,769	5,119	-	45,080	242,570
Water retention studies	8,634	8,382	39	13	200
	481,353	25,734	125,557	86,932	243,130
CROSSINGS					
Infrastructure replacement	261,655	195,000	-	1,655	65,000
Repairs	16,570	-	8,244	2,748	5,578
	278,225	195,000	8,244	4,403	70,578
OTHER					
Abandoned wells	5,778	1,926	2,364	788	700
Creek water quality testing	11,888	11,167	541	180	-
	17,666	13,093	2,905	968	700
TOTAL EXPENDITURES	$ 887,601	$ 236,917	$ 205,000	$ 125,516	$ 320,168
TOTAL EXPENDITURES (%)	100	27	23	14	36

PROVINCIAL GRANT RECEIVABLE/PAYABLE SUMMARY

2001/2002 Grant received	$ 205,000
Less: share of expenditures	(205,000)
	$ -

Jim M. Smith
Chartered Accountant Inc.

AUDITORS' REPORT

We have audited the Statement of Financial Position of Intermountain Conservation District as at March 31st, 2002 and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31st, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

ZAPLITNY / ZAMRYKUT
Chartered Accountants

DAUPHIN, Manitoba
May 30th, 2002

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(The accompanying notes are an integral part of these financial statements)

STATEMENT "1"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION
As at March 31st, 2002 and 2001

		2002	2001
ASSETS			
Current Assets -			
Cash in Bank	$	22,368	19,539
Temporary Investments		20,332	4,629
Accounts Receivable		33,713	69,028
Province of Manitoba Receivable (Schedule 3)		5,210	5,264
Inventory (Note 2)		2,469	3,029
		84,092	101,489
Investments		9,630	9,630
Capital Assets (Note 3)		121,420	127,369
Total	$	215,142	238,488
LIABILITIES			
Current Liabilities -			
Deferred Contributions	$	31,998	21,461
Accounts Payable		40,202	73,831
Current Portion of Long-Term Debt		7,643	7,236
		79,843	102,528
Long-Term Debt (Note 4)		40,923	48,837
Total		120,766	151,365
NET ASSETS			
Net Assets		94,376	87,123
Total	$	215,142	238,488

Approved by the Board:

Director

Director

(The accompanying notes are an integral part of these financial statements)

STATEMENT "2"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF CHANGES IN NET ASSETS
As at March 31st, 2002 and 2001

		2002	2001
Net Assets, Beginning of Year	$	87,123	91,378
Excess of Revenue Over/(Under) Expenditures		7,253	(3,736)
Net Assets, End of Year	$	94,376	87,642

(The accompanying notes are an integral part of these financial statements)

STATEMENT "3"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2002 and 2001

		2002	2001
Revenue -			
Municipal Levies	$	34,751	33,032
Town Levies		14,248	14,388
Provincial Grant		159,946	151,156
Land Owner		38,670	65,817
Other Revenue		46,117	23,646
		293,732	288,039
Expenditures (Schedule "1")		286,479	290,619
Excess of Revenue Over/(Under) Expenditures	$	7,253	(2,580)

(The accompanying notes are an integral part of these financial statements)

STATEMENT "4"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF CASH FLOWS
For the Years Ended March 31st, 2002 and 2001

	2002	2001
Cash Provided by (Used in) Operating Activities -		
Excess of Revenue Over/(Under) Expenditure	$ 7,253	(2,580)
Non-Cash Items included in Expenditures		
Amortization	14,109	13,755
	21,362	11,175
Changes in Non-Cash Working Capital Components -		
Temporary Investments	(15,703)	11,667
Accounts Receivable	35,369	(22,509)
Inventory	560	106
Accounts Payable	(33,629)	(1,169)
Other	10,944	(2,130)
	18,903	(2,860)
Investing -		
Purchase of Capital Assets	(8,160)	(1,965)
Increase (Decrease) in Long-Term Debt	(7,914)	56,073
Increase (Decrease) in Cash	2,829	51,248
Cash (Deficit), Beginning of Year	19,539	(31,709)
Cash, End of Year	$ 22,368	19,539

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "1"

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF EXPENDITURES
For the Years Ended March 31st, 2002 and 2001

		2002	2001
Expenditures -			
Accounting and Legal	$	1,545	3,636
Advertising and Promotion		2,778	
Amortization		14,109	13,755
Bad Debt Expense			89
Bank Charges		3,528	2,969
Creek Rehabilitation		7,483	3,204
Fish & Wildlife			233
Grassed Waterways		11,189	5,081
IMCD Remuneration		18,573	17,549
Insurance		4,697	7,794
Inventory		1,608	809
MCDA Dues and Licencing Fees		3,200	1,500
Insurance Claim		919	
Office Supplies		8,523	8,578
Property Taxes			1,595
Public Relations & Education		13,231	14,703
Recreation and Tourism		415	1,189
Pasture Pipeline Plow		8,465	
Livestock Watering Options		13,003	
Repairs and Maintenance			9,141
Riparian Works		3,632	3,434
Soils Program			6,029
Staff Wages and Benefits		90,818	60,779
Stream & Gully Stabilization		15,629	30,742
Field Gear		857	
Utilities		5,306	4,486
Equipment & Vehicle Maintenance		8,754	6,053
Abandoned Wells		6,577	10,132
Forage Seed Program		40,781	76,619
Trees and Shelterbelts		724	338
Misc. Programs		135	182
Total Expenditures	$	286,479	290,619

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "2"

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF COST SHARING
For the Year Ended March 31st, 2002

	Total Expenditures	Cost/Share	Provincial	Board	External
Administration -					
Facility Charges	$ 18,000	75/25/0	13,500	4,500	
Utilities	5,306	75/25/0	3,979	1,327	
Office Operation	8,523	57/43/0	4,873	3,650	
Insurance	4,697	75/25/0	3,522	1,175	
Wages - Staff	90,818	72/24/4	65,721	21,907	3,190
Accounting and Legal Fees	1,545	75/25/0	1,159	386	
Licencing Fees	200	75/25/0	150	50	
MCDA Dues	3,000	75/25/0	2,250	750	
Bank Charges	236	0/100/0		236	
Public Education -					
Livestock Watering Options	13,003	0/0/100			13,003
Advertising/Signage	2,778	48/16/36	1,333	4,415	1,000
Management Plan	1,614	75/25/0	1,210	404	
Educational Activities	11,617	34/59/6	3,986	6,879	752
Project Support -					
Vehicle & Equipment	8,754	75/25/0	6,566	2,188	
Field Gear	857	75/25/0	643	214	
Remuneration	18,573	75/25/0	13,930	4,643	
Inventory Purchases - Net	1,608	75/25/0	1,206	402	
Recreation & Tourism -					
Site Development	415	75/25/0	311	104	
Soils -					
Forage Seed	40,781	27/73/0	11,212	29,569	
Grassed Waterways	11,189	56/44/0	6,229	4,960	
Pasture Pipeline Plow	8,465	0/0/100			8,465
Trees/Shelterbelts	724	75/25/0	543	181	
Water -					
Streambank Stabilization	15,629	61/39/0	9,483	6,146	
Creek Rehabilitation	7,483	26/18/56	1,944	1,339	4,200
Riparian Works	3,632	60/40/0	2,193	1,439	
Watershed Management	135	75/25/0	101	34	
Abondoned Wells	6,577	60/40/0	3,902	2,675	
Board Expenses -					
Depreciation	14,109	0/100/0		14,109	
Renovations	8,160	0/100/0		8,160	
Property Loan Interest	3,292	0/100/0		3,292	
Insurance Claim	919	0/100/0		919	
	$ 312,639		159,946	122,083	30,610

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "3"

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/(PAYABLE)
For the Years Ended March 31st, 2002 and 2001

		2002	2001
Balance Beginning of Year of Provincial Grant Receivable	$	5,264	4,108
Add: Grant Allocated (Schedule "2")		159,946	151,156
		165,210	155,264
Deduct: Provincial Grant Received		160,000	150,000
Balance End of Year Provincial Grant Receivable	$	5,210	5,264

(The accompanying notes are an integral part of these financial statements)

INTERMOUNTAIN CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
March 31st, 2002

1. Incorporation and Commencement of Operations -

The Intermountain Conservation District was incorporated under the laws of the Province of Manitoba and commenced operations on July 15th, 1997.

Organization -
The Intermountain Conservation District operates under the authority of The Conservation Districts Act. The objectives for the District under the Act are to provide for the conservation control and prudent use of resources.

2. Accounting Policies -

The financial statements have been prepared on a going concern basis in accordance with generally accepted accounting principles and include the following significant accounting policies:

Investments -
Investments are recorded at the lower of cost and net realizable value.

Capital Assets -
Capital Assets are recorded at cost. Amortization is provided on a straight line basis over the estimated useful lives of the assets. The useful lives, with no salvage value are estimated as:

Building	30 Years
Automotive	8 years
Office Furniture	15 years
Office Equipment & Signs	5 years
Field Equipment	10 years

Income Taxes -
Intermountain Conservation District is a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

Revenue Recognition -
The financial statements have been prepared following the deferral method of accounting for contributions. Restricted contributions are recognized in the year to which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Measurement Uncertainty -
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Financial Instruments -
The organization's financial instruments include instruments with short and long-term maturities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate and credit risks arising from these instruments.

Inventory -

Inventory is valued at the lower of cost or market on a first in first out basis.

INTERMOUNTAIN CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
March 31st, 2002

3. Capital Assets -

	Cost	Accumulated Amortization	2002 Book Value	2001 Book Value
Land	$ 5,000		5,000	5,000
Automotive	39,033	20,974	18,059	22,938
Buildings	88,160	5,426	82,734	77,333
Furniture, Equipment and Signs	39,236	23,609	15,627	22,098
	$ 171,429	50,009	121,420	127,369

4. Long-Term Debt -

	2002	2001
Ethelbert Credit Union Limited Commercial mortgage #2 Interest: 6.75% Terms: Repayable in blended monthly instalments of $900 for 85 months Security: Property SE 36-29-22 Original amount of mortgage was $60,000 which was received August 2000	$ 48,566	56,073
Less: Current Portion	7,643	7,236
	$ 40,923	48,837

Principal repayments required for the next 5 years:

2003	$ 7,643
2004	8,140
2005	8,670
2006	9,230
2007	9,833

KELSEY CONSERVATION DISTRICT

FINANCIAL STATEMENTS
(prepared with Audit)

MARCH 31, 2002

Prepared by the accounting firm of:
M. FAYE KOBELKA
Certified General Accountant

KELSEY CONSERVATION DISTRICT

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M. FAYE KOBELKA
CERTIFIED GENERAL ACCOUNTANT
BOX 1228
THE PAS, MB
R9A 1L2
TEL: 204-623-4664 FAX: 204-623-4686

Auditor's Report

To: The Board of Directors
KELSEY CONSERVATION DISTRICT

I have audited the statement of financial position of Kelsey Conservation District as at March 31, 2002 and the Statement of Operations and Changes in Net Assets for the year then ended. These financial statements are the responsibility of the District's Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Generally Accepted Auditing Standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of Kelsey Conservation District as at March 31, 2002, and the results of its operations and the changes in it's net assets for the year then ended in accordance with Generally Accepted Accounting Procedures.

M. Faye Kobelka
Certified General Accountant

June 11, 2002
The Pas, MB

KELSEY CONSERVATION DISTRICT

COMPARATIVE STATEMENT OF FINANCIAL POSITION
Audited

	March 31 2002	March 31 2001
ASSETS		
CURRENT		
Cash	$ 586	$ 475
Accounts Receivable (note 3)	3785	1101
Prepaid Expenses	-	120
Inventories	113	113
	4,484	1809
CAPITAL ASSETS (Note 5)	50,327	21,303
	$ 54,811	$ 23,112
LIABILITIES & FUND BALANCES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses (note 4)	$ 7,059	$ 2,938
LONG TERM DEBT (Note 6)	20,269	-
	27,328	2,938
INVESTMENT IN CAPITAL ASSETS	50,327	21,303
GENERAL OPERATING FUND	(22,844)	(1,129)
	$ 54,811	$ 23,112

Approved on behalf of the Board

K. Boyd

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT

COMPARATIVE STATEMENT OF OPERATIONS
Audited **March 31**

	2002	2001
REVENUES		
Grant Contributions	$ 135,360	$ 97,774
Other	3,152	-
	138,512	97,774
GENERAL & ADMINISTRATIVE EXPENDITURES		
Advertising	-	1,632
Amortization	9,485	6,715
Automotive	1,296	-
Convention	-	2,634
Honorariums	12,744	9,600
Insurance	-	250
Meetings	2,150	4,749
Office	5,573	5,171
Project Expenditure (Appendix B)	49,249	22,308
Rent	5,100	4,635
Training	-	199
Travel	1,909	7,583
Utilities & Water Monitoring	3,169	1,082
Wages & Benefits	40,528	34,740
	131,203	101,298
Excess / (Deficiency) of Revenues over Expenditures	$ 7,309	$ (3,524)

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT

COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS
Audited **March 31**

	2002 Investment in Capital Assets	2002 General Operating Fund	2002 Total Funds	2001 Total Funds
Balance, Beginning of Year	$ 21,303	$ (1,129)	$ 20,174	$ 23,698
Capital Transactions:				
Capital Asset Addition	38,509	(38,509)	-	-
Amortization	(9,485)	9,485	-	-
Excess / (Deficiency) of Revenue over Expenditures	-	7,309	7,309	(3,524)
Balance, End of Year	$ 50,327	$ (22,844)	$ 27,483	$ 20,174

(The accompanying notes are an integral part of these financial statements)

1. OPERATIONS

Kelsey Conservation District operates under an established Board of Directors, who self select the positions within the Board. The Kelsey Conservation District was established primarily for the purpose of providing resource programs and planning for sustainable soil and water management within the RM of Kelsey.

The funding for their operations is provided on a Provincial (75%) and Municipal (25%) basis. Additional funds may be obtained through partnerships with external agencies.

2. SIGNIFICANT ACCOUNTING POLICIES

General

In accordance with generally accepted accounting principles, the organization utilized the accrual basis of accounting for all revenues and expenditures.

Fund Accounting

The organization maintains its accounts in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of the available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. A general operating fund is used.

3. ACCOUNTS RECEIVABLE

Overpayment to S. Sexsmith	10
Capital Expenditure reimbursement	2,000
GST refund	1,775
	$ 3,785

4. ACCOUNTS PAYABLE

Audit Accrual	134
Chas. Fidler & Son	2,289
Collins True Value	113
Linnett/Watershed	1,000
Manitoba Hydro	148
MTS Communications	26
Shane's Music	29
Ta-Be Welding	3,320
	$ 7,059

5. CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is recorded using the following method and rates as follows with 1/2 of the normal rate being used in the year of acquisition.

Equipment	20%	declining balance
Computer Hardware	30%	declining balance
Computer Software	20%	straight-line
Vehicle	30%	declining balance

	Cost	Accumulated Amortization	Net Book Value 2002	Net Book Value 2001
Equipment	$ 16,852	$ 4,156	$ 12,696	$ 8,589
Computer Hardware	6,803	2,744	4,059	2,527
Computer Software	16,170	9,039	7,131	10,187
Vehicle	29,342	2,901	26,441	-
	$ 69,167	$ 18,840	$ 50,327	$ 21,303

6. LONG TERM DEBT

Payable to GMAC Financing in equal monthly installments of $569 including interest at 9.5% per annum. Secured by a vehicle. Matures September, 2005.

7. STATEMENT OF CASH FLOW

As the organization is reporting on a fund accounting basis, a statement of cash flow has not been included with these financial statements as its inclusion would not provide additional meaningful information.

M. FAYE KOBELKA
CERTIFIED GENERAL ACCOUNTANT
BOX 1228
THE PAS, MB
R9A 1L2
TEL: 204-623-4664 FAX: 204-623-4686

AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Executive of:
KELSEY CONSERVATION DISTRICT

The audited financial statements of Kelsey Conservation District as at March 31, 2002 and my report June 11, 2002 are presented in the preceding section of this report. The supplementary information presented hereafter was derived from the accounting records tested by me as part of the auditing procedures followed in my examination of the financial statements and, in my opinion, they are presented in all material respects in relation to the financial statements taken as a whole.

M. Faye Kobelka
Certified General Accountant

June 11, 2002
The Pas, MB

KELSEY CONSERVATION DISTRICT

APPENDIX A - SCHEDULE OF COST SHARING
(AUDITED) **March 31, 2002**

	Total Expenditures	External	Provincial	Local
Administration	$ 72,469	$ -	$ 55,234	$ 17,235
Assets	9,485		7,229	2,256
Programs	37,273		28,409	8,864
Public Education	11,976	-	9,128	2,848
Total Expenditure	$ 131,203	$ -	$ 100,000	$ 31,203
Provincial Grants Received			100,000	
Less: Share of Expenditure			100,000	
			$ -	

KELSEY CONSERVATION DISTRICT

APPENDIX B - SCHEDULE OF PROJECT EXPENDITURE

Audited	**March 31 2002**
PUBLIC EDUCATION	
Public Education	$ 1,342
MCDA Convention	609
Professional Development	6,385
School Program	350
Newsletter / Advertising	3,171
Partner / Project Signage	119
	11,976
RECREATION	
Cranberry Dock	20,000
SOILS	
Forage Program	5,540
WATER	
Abandoned Wells	3,951
Exclusion Fencing	1,811
Livestock Watering	3,555
Miscellaneous	35
Riparian Rehab	1,950
Well Disinfection	103
Well Quality Testing	134
	11,539
WILDLIFE	
Artificial Nesting Structures	194
TOTAL PROJECT EXPENDITURE	$ 49,249

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

FINANCIAL STATEMENTS

For the 15 month period ended 31st March 2002

Bellas & Reid

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

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Bellas & Reid

Bellas & Reid
CHARTERED ACCOUNTANTS

Kenneth W. Bellas, B.Sc., C.A.
204 Rosser Avenue, Brandon, MB R7A 0J9 Phone: (204) 727-5746 Fax: (204) 727-5264

Harold E. Reid, B. Comm. (Hons.), C.A.
Box 610, Russell, MB R0J 1W0 Phone: (204) 773-2106 Fax: (204) 773-3410
(204) 842-5388

AUDITORS' REPORT

TO the Board of Directors of the
Lake of the Prairies Conservation District:
Inglis, Manitoba

We have audited the balance sheet of **Lake of the Prairies Conservation District** as at **31st March 2002** and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization As at 31st March 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Cost Sharing and Provincial Contributions presented by the District.

Russell. Manitoba
17th July 2002

Bellas Reid
CHARTERED ACCOUNTANTS

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
BALANCE SHEET
For the 15 month period ended 31st March 2002

ASSETS

CURRENT		
Accounts receivable	$	391
GST receivable		2,112
Provincial grant receivable (Schedule 2)		11,249
		13,752
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 3)		33,632
PATRONAGE DIVIDENDS		118
	$	47,502

LIABILITIES

CURRENT		
Bank indebtedness	$	896
Accounts payable		14,872
		15,768

SURPLUS

SURPLUS		31,734
	$	47,502

APPROVED ON BEHALF OF THE BOARD:

Director

Director

Bellas & Reid

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
For the 15 month period ended 31st March 2002

REVENUE		
Province of Manitoba grant	$	122,249
Municipal grants (Note 5)		32,262
External Funding		16,972
Interest		1,348
Dividend income		118
		172,949
EXPENDITURE		
Administration		67,246
Public education		24,665
Program support		22,615
Soil programs		5,880
Wildlife/fisheries programs		52
Water programs		4,370
Other		16,387
		141,215
NET INCOME FOR YEAR		31,734
SURPLUS BEGINNING OF YEAR		
SURPLUS END OF YEAR	$	31,734

Bellas & Reid

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
For the 15 month period ended 31st March 2002

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for year	$	31,734
Changes in non-cash working capital (Note 4)		1,120
		32,854
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(33,632)
Change in other long-term assets		(118)
		(33,750)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(896)
CASH AND CASH EQUIVALENTS, END OF YEAR	$	(896)

Bellas & Reid

1. ENTITY DEFINITION

The Lake of the Prairies Conservation District No. 12 was formed January 1, 2001 to administer and develop programs for the effective management and conservation of the natural resources in the Rural Municipalities of Shellmouth-Boulton, Silver Creek, and Russell, the Town of Russell and Village of Binscarth. Each member municipality appoints local representatives to create a district board. Approximately 75% of the district's annual budget comes from the province while member municipalities contribute 25% of the total in amounts based on their own assessments. The conservation district employs a full-time district manager and a full-time administrator as well as part-time work crews.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The organization has adopted a policy not to amortize the property, plant and equipment.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Office equipment	$	2,855		$ 2,855
Computer equipment		4,783		4,783
Machinery		6,194		6,194
Truck		19,800		19,800
		33,632		33,632
ACCUMULATED AMORTIZATION				
NET BOOK VALUE	$			$ 33,632

Bellas & Reid

4. CHANGES IN NON-CASH WORKING CAPITAL

Change in cash from changes in:

Accounts receivable	$	(391)
Other assets		(13,361)
Accounts payable		14,872
	$	1,120

5. Municipal Grants

Grants received from local government involvement in the conservation district were the following:

R.M. of Shellmouth-Boulton	$	11,521
R.M. of Silver Creek		8,558
R.M. of Russell		8,499
Town of Russell		3,370
Village of Binscarth		314
	$	32,262

6. FINANCIAL INSTRUMENTS

Credit risk management

The company is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the Company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The company does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

7. COMPARATIVE FIGURES

There are no comparative figures as this is the first year of operations for the Lake of the Prairies Conservation District.

Bellas & Reid

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
SCHEDULE 1 - SCHEDULE OF COST SHARING
For the 15 month period ended 31st March 2002

PROJECTS & PROGRAMS	Cost Share	Total Expenditures	Provincial	Local	External
ADMINISTRATION					
Wages and expenses	75/25/0	47,165	35,374	11,791	
Office operation	75/25/0	19,853	14,890	4,963	
100% district	0/100/0	228		228	
		67,246	**50,264**	**16,982**	
PROGRAM SUPPORT					
Staff wages/expenses	75/25/0	16,133	12,100	4,033	
Vehicle expenses	75/25/0	6,482	4,861	1,621	
		22,615	**16,961**	**5,654**	
PUBLIC EDUCATION					
Education	54/18/28	22,026	11,877	3,955	6,194
Workshops/courses	75/25/0	1,639	1,229	410	
MCDA	75/25/0	1,000	750	250	
		24,665	**13,856**	**4,615**	**6,194**
SOIL PROGRAMS					
Shelterbelt/gully riparian/demos	75/25/0	30	23	7	
Forage assistance	9/3/88	5,850	517	173	5,160
		5,880	**540**	**180**	**5,160**
WILDLIFE/FISHERIES					
Wildlife programs/ conservation corridors	75/25/0	52	39	13	
		52	**39**	**13**	
LANDOWNER PROGRAMS					
General	75/25/0	2,287	1,715	572	
Well capping	17/5/78	2,083	349	116	1,618
		4,370	**2,064**	**688**	**1,618**
OTHER					
GIS	75/25/0	26	19	7	
GIS software/training	99.5/.5/0	16,361	16,282	79	
		16,387	**16,301**	**86**	
SUBTOTAL		**141,215**	**100,025**	**28,218**	**12,972**
PROPERTY, PLANT AND EQUIPMENT					
Office equipment	75/25/01	7,638	5,728	1,910	
Field equipment	63/21/15	25,994	16,496	5,498	4,000
		33,632	**22,224**	**7,408**	**4,000**
TOTAL EXPENDITURES		**174,847**	**122,249**	**35,626**	**16,972**
			70%	**20%**	**10%**

Bellas & Reid

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
SCHEDULE 2 - SCHEDULE OF PROVINCIAL CONTRIBUTIONS
For the 15 month period ended 31st March 2002

PROVINCIAL GRANT, 2001-2002	$ 111,000
GRANT RECEIVED	**111,000**
LESS, 2001-2002 Allocation grant	122,249
PROVINCIAL GRATN RECEIVABLE 2001 –2002	**$ 11,249**

Bellas & Reid

MEYERS NORRIS PENNY

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2002

an independent member of BAKER TILLY INTERNATIONAL

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
1401 PRINCESS AVE., BRANDON, MB R7A 7L7
1-800-446-0890 PH. (204) 727-0661 FAX (204) 726-1543 www.mnp.ca

MNP

MILLARS NORRIS PENNY

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
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MARCH 31, 2002

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SCHEDULE 3 - SCHEDULE OF PROVINCIAL GRANT RECEIVABLE

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MNP

MEYERS NORRIS PENNY

The Board of Directors
Little Saskatchewan River Conservation District

AUDITORS' REPORT

We have audited the statement of financial position of Little Saskatchewan River Conservation District as at March 31, 2002 and the statements of operations, changes in net assets and supporting schedules for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Brandon, Manitoba
May 13, 2002

Meyers Norris Penny LLP
Chartered Accountants

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT 1

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2002

	2001	2002
ASSETS		
CURRENT		
Cash	3,126	3,364
Accounts receivable	5,766	26,941
GST receivable	1,329	2,197
	10,221	32,502
CAPITAL ASSETS (Note 3)	53,889	49,822
	64,110	82,324
LIABILITIES		
CURRENT		
Accounts payable	5,210	17,267
Deferred revenue	1,850	30,063
Current portion of long-term debt	3,840	4,167
	10,900	51,497
LONG-TERM DEBT (Note 4)	8,730	4,550
	19,630	56,047
NET ASSETS		
INVESTED IN CAPITAL ASSETS	41,319	41,105
UNRESTRICTED NET ASSETS (DEFICIT)	3,161	(14,828)
	44,480	26,277
	64,110	82,324

ON BEHALF OF THE BOARD:

..... DIRECTOR

..... DIRECTOR

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT 2

STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2002

	2001	2002
REVENUES		
Grants		
Province of Manitoba	98,755	130,109
Ducks Unlimited	23,515	19,761
Delta Waterfowl	4,500	10,700
Government of Canada	1,584	6,058
Manitoba Hydro	5,000	5,000
Municipal levies (Note 5)	31,812	31,812
Interest	841	821
Land owner contributions	2,815	6,570
Workshops	8,630	17,240
Miscellaneous	4,080	7,027
	181,532	235,098
EXPENSES		
GENERAL ADMINISTRATION		
Bank charges and interest	82	218
Freight	396	154
Insurance and licences	1,622	2,817
Interest on long-term debt	890	1,247
MCDA dues	2,485	5,114
Meals	1,394	4,677
Miscellaneous	-	300
Newsletters	887	861
Office	3,121	8,157
Professional fees	1,267	1,911
Telephone	3,171	3,966
Training	270	779
Travel	1,294	3,169
Vehicle	3,157	3,326
Wages and benefits	64,931	86,312
	84,967	123,008
PROGRAM DELIVERY COSTS		
Advertising	4,829	9,136
Amortization	12,633	13,584
Board remuneration	8,682	12,002
Forage program	-	1,023
Public education	10,268	11,486
Repairs and maintenance	2,369	8,132
Shelterbelts and salinity program	5,813	6,289
Small dams	414	1,302
Well capping	844	321
Sub-district programs (Schedule 1)	36,452	66,412
	82,304	130,293
	167,271	253,301
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	14,261	(18,203)

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT 3

STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2002

	Total 2001	Invested in Capital Assets	Unrestricted	Total 2002
Balance, beginning of year	30,219	41,319	3,161	44,480
Excess (deficiency) of revenues over expenses	14,261	(13,584)	(4,619)	(18,203)
Investment in capital assets	-	13,370	(13,370)	-
Net change	14,261	(214)	(17,989)	(18,203)
Balance, end of year	44,480	41,105	(14,828)	26,277

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2002

1. OPERATIONS

Little Saskatchewan River Conservation District was established by an Order-in-Council of the Province of Manitoba on January 1, 1999. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the following method and rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

	Method	Rate
Computer equipment	straight line	25%
Equipment	straight line	10%
Office equipment	straight line	10%
Truck	straight line	15%

3. CAPITAL ASSETS

	2001	2002		
	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	12,809	24,790	18,179	6,611
Equipment	20,295	32,068	5,462	26,606
Office equipment	2,655	2,950	590	2,360
Truck	18,130	25,900	11,655	14,245
	53,889	85,708	35,886	49,822

4. LONG-TERM DEBT

	2001	2002
Term loan bearing interest at 8.5%, payable in three annual installments of $4,921.	12,570	8,717
Less: current portion	(3,840)	(4,167)
	8,730	4,550

Principal repayments are estimated as follows:

2003	4,167
2004	4,550

5. MUNICIPAL LEVIES

	2001	2002
Rural Municipality of Blanshard	6,644	6,644
Rural Municipality of Clanwilliam	2,822	2,822
Rural Municipality of Daly	6,518	6,518
Rural Municipality of Minto	3,400	3,400
Rural Municipality of Odanah	1,292	1,292
Rural Municipality of Saskatchewan	6,133	6,133
Town of Minnedosa	4,083	4,083
Town of Rivers	920	920
	31,812	31,812

6. STATEMENT OF CASH FLOWS

The Statement of Cash Flows has not been presented as it offers no additional information.

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 1

SCHEDULE OF EXPENDITURE - SUB-DISTRICT PROGRAMS
YEAR ENDED MARCH 31, 2002

	2001	2002
UPPER OAK RIVER SUB-DISTRICT # 72		
Forage	1,800	3,850
Small dams	7,760	4,281
Soil	1,000	2,250
Well capping	350	3,598
Wildlife	72	4,480
Zero-till	2,100	-
	13,082	18,459
CENTRAL LITTLE SASKATCHEWAN RIVER SUB-DISTRICT # 81		
Forage	2,750	900
Small dams	5,859	16,695
Soil	-	4,250
Well capping	521	3,454
Wildlife	-	2,263
Zero-till	1,500	-
	10,630	27,562
LOWER LITTLE SASKATCHEWAN RIVER SUB-DISTRICT # 82		
Forage	3,854	1,860
Small dams	132	5,336
Soil	2,730	6,500
Well capping	773	687
Wildlife	2,751	6,008
Zero-till	2,500	-
	12,740	20,391
	36,452	66,412

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 3

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
YEAR ENDED MARCH 31, 2002

PROVINCIAL GRANT, 2001-2002	117,000
LESS: PROVINCIAL GRANT RECEIVABLE, 2000-2001	2,012
	114,988
LESS: 2001-2002 Allocated Grant (Schedule 2)	130,109
PROVINCIAL GRANT RECEIVABLE, 2001-2002	15,121

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 2

SCHEDULE OF COST SHARING
YEAR ENDED MARCH 31, 2002

	Total Expenditures	External	Provincial	Local
PROGRAM MANAGEMENT				
General	165,862	17,839	100,829	47,194
WATER PROGRAMS	48,425	25,010	17,561	5,854
SOILS	27,528	24,463	2,299	766
PUBLIC EDUCATION	11,486	4,444	5,282	1,760
TOTAL	253,301	71,756	125,971	55,574
ASSETS				
Equipment	9,517	4,000	4,138	1,379
	9,517	4,000	4,138	1,379
	262,818	75,756	130,109	56,953

PEMBINA VALLEY CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2002

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5	Statement of Changes in Surplus
6	Statement of Revenue and Expenditures
7	Statement of Cash Flows
8 - 11	Notes to Financial Statements
12	Schedule of Expenditures
13	Schedule of Cost Sharing

Jim M. Smith
Chartered Accountant Inc.

Telephone (204) 325-8033
Telefax (204) 325-5357
Toll Free 1-888-783-4040
grnsmith@web4.net

240 Main Street
Box 580
Winkler, Manitoba
R6W 4A7

AUDITOR'S REPORT

TO THE MEMBERS:
PEMBINA VALLEY CONSERVATION DISTRICT

I have audited the balance sheets of Pembina Valley Conservation District as at March 31, 2002 and the statements of changes in surplus, revenue and expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following two paragraphs, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Province of Manitoba has not approved the funding of the prior years' over-expenditures. As a result I am unable to confirm or verify by alternative means the unfunded deficit included in the financial statements totalling $99,032. Accordingly, I was not able to determine whether any adjustment might be necessary to unfunded deficit and surplus.

Management has elected to include repair and maintenance costs totalling $11,394 in prepaid expenses as of March 31, 2002 rather than including the amount as an expenditure for the year. The effect of this departure from Canadian generally accepted accounting principles is to understate expenditures and deficiency for the year by $11,394.

In my opinion, except for the effect of adjustments required by the two preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2002 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Jim M. Smith

CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
May 28, 2002

PEMBINA VALLEY CONSERVATION DISTRICT

BALANCE SHEET

MARCH 31, 2002

ASSETS

	2002	2001
CURRENT		
Cash	$ 26,504	$ 81,545
Accounts receivable	60,484	30,590
Prepaid expenses	17,261	4,232
Inventory	27,298	23,186
	131,547	139,553
UNFUNDED DEFICIT (note 2)	99,032	99,032
CAPITAL (notes 1a and 3)	150,501	150,501
	$ 381,080	$ 389,086

APPROVED BY

Donald J. Alexander Director

Director

Jim M. Smith
Chartered Accountant Inc

PEMBINA VALLEY CONSERVATION DISTRICT

BALANCE SHEET

MARCH 31, 2002

LIABILITIES

	2002	2001
CURRENT		
Accounts payable and accrued	$ 832	$ 17,471
Unearned revenue (note 4)	25,427	26,752
Due to donation fund	-	104
Current portion of long term debt	3,749	-
	30,008	44,327
LONG TERM DEBT (note 5)	7,645	-
	37,653	44,327

SURPLUS

SURPLUS (page 5)	343,427	344,759
	$ 381,080	$ 389,086

Credit facilities (note 9)

Commitment (note 10)

PEMBINA VALLEY CONSERVATION DISTRICT

DONATION FUND BALANCE SHEET

MARCH 31, 2002

ASSETS

	2002	2001
CURRENT		
Cash	$ 6,456	$ 6,686
Due from operating fund	-	104
	$ 6,456	$ 6,790

SURPLUS

SURPLUS (note 7)	$ 6,456	$ 6,790

APPROVED BY

_____ Director

_____ Director

Jim M. Smith
Chartered Accountant Inc.

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CHANGES IN SURPLUS

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Surplus, beginning of year	$ 344,759	$ 322,948
Excess (deficiency) of revenue over expenditures	(1,332)	21,811
SURPLUS, END OF YEAR (note 6)	$ 343,427	$ 344,759

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
REVENUE		
Provincial grants		
Rural Development - funded	$ 250,000	$ 250,000
- unfunded	-	9,510
Municipal levies		
Rural Municipality of Lorne	26,864	26,844
Rural Municipality of Louise	19,369	19,369
Rural Municipality of Pembina	22,285	22,283
Rural Municipality of Roblin	8,260	8,259
Rural Municipality of Thompson	11,763	11,764
Town levies		
Village of Crystal City	386	384
Village of Manitou	680	684
Village of Pilot Mound	459	462
Other funding - external	53,878	57,002
- local	5,300	5,959
GIS partnership	3,000	-
Manitoba Habitat Heritage	-	14,135
Manitoba Environment	-	5,000
Manitoba Agriculture	13,000	2,000
Rural water development program - PFRA	32,817	20,301
Riparian restoration workshop	-	25,682
Watershed Restoration Action Strategy - water testing	6,879	-
Other income	16,781	16,635
Interest income	2,851	4,220
Other (note 11)	39,750	31,522
	514,322	532,015
EXPENDITURES (page 12)	515,654	510,204
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ (1,332)	$ 21,811

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	$ (1,332)	$ 21,810
Changes in non-cash working capital (note 8)	(65,103)	56,807
Cash flows from (used in) operating activities	(66,435)	78,617
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term debt	14,000	-
Repayment of long term debt	(2,606)	-
Increase in unfunded deficit	-	(9,510)
Cash flows from (used in) financing activities	11,394	(9,510)
NET INCREASE (DECREASE) IN CASH	(55,041)	69,107
Cash at beginning of year	81,545	12,438
CASH AT END OF YEAR	$ 26,504	$ 81,545

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the organization.

a) **Capital assets**

Effective with the fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase. Amortization is no longer being provided for in the District's records.

b) **Income taxes**

Pembina Valley Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Inventory**

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on a specific item basis.

---

2. UNFUNDED DEFICIT

Grants are received from the Province of Manitoba. A deficit results when District expenditures, which are cost-shared with the Province, exceed amounts for which funding has been received. During the year it became the policy of Conservation Districts to no longer add annual deficits to the accumulated unfunded deficit.

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002

3. CAPITAL ASSETS

	2002		2001	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	$ 53,532	$ -	$ 53,532	$ -
Building	45,853	5,964	45,853	5,964
Field equipment	84,663	61,281	84,663	61,281
Office furniture and equipment	36,031	22,322	36,031	22,322
Surveying equipment	3,658	2,712	3,658	2,712
Vehicles	36,052	17,009	36,052	17,009
	259,789	109,288	259,789	109,288
Cost less accumulated amortization		$ 150,501		$ 150,501

4. UNEARNED REVENUE

	2002	2001
Fisheries Enhancement funds	$ 10,685	$ 2,885
Rural Municipality of Lorne levy	6,453	11,708
Rural Municipality of Louise levy	4,817	-
Rural Municipality of Pembina	-	5,571
Rural Municipality of Roblin levy	1,741	2,065
Town of Manitou levy	777	680
Village of Crystal City levy	439	384
Village of Pilot Mound levy	515	459
Special Conservation funds	-	3,000
	$ 25,427	$ 26,752

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002

5. LONG TERM DEBT

	2002	2001
Term loan, interest at prime plus 1.00%, monthly principal and interest payments of $350.	$ 11,394	$ -
Less: Current portion	(3,749)	-
	$ 7,645	$ -

Security consists of a promissory note. Although due on demand these financial statements assume that the term loan is repaid in equal monthly principal and interest instalments as provided for in the District's credit arrangements.

Principal repayment over the next three years, assuming regular monthly payments are made, is as follows:

2003	$ 3,749
2004	3,927
2005	3,718

6. SURPLUS

The surplus has two components: a current surplus and a capital asset surplus. The current surplus is equal to current assets plus the unfunded deficit minus current liabilities. This money, which totalled $200,571 at March 31, is available to fund ongoing operations. The capital asset surplus is equal to the net book value of capital assets which totalled $150,501 at March 31. This surplus is not readily available to fund current operations.

7. DONATION FUND SURPLUS

Changes to the donation fund surplus during the year were as follows:

	2002	2001
Interest earned	$ 254	$ 364
Expenditures - trophies and scholarship	(587)	(587)
Decrease for the year	$ (333)	$ (223)

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002

8. CHANGES IN NON-CASH WORKING CAPITAL

	2002	2001
Increase (decrease) in cash from changes in:		
Accounts receivable	$ (29,894)	$ 62,052
Prepaid expenses	(13,029)	2,193
Inventory	(4,112)	6,884
Accounts payable and accrued	(16,639)	(12,854)
Due to donation fund	(104)	-
Unearned revenue	(1,325)	(1,468)
	$ (65,103)	$ 56,807

9. CREDIT FACILITIES

The District has arranged for a line of credit authorized to a maximum of $30,000. Security consists of a promissory note and an assignment of book debts. Interest is charged at prime plus 1%.

10. COMMITMENT

Under the terms of an equipment lease the District is committed to payments of $684 every three months. The lease expires in March, 2005.

11. OTHER REVENUE

	2002	2001
Agri-Food Research and Development Initiative	$ 9,750	$ 15,250
Manitoba Agriculture - Covering new ground	20,000	13,700
Manitoba Conservation - Enviro Youth Corporation	-	2,572
Manitoba Special Conservation Fund	10,000	-
	$ 39,750	$ 31,522

PEMBINA VALLEY CONSERVATION DISTRICT

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
OPERATING		
Audit and legal	$ 1,015	$ 1,004
Ducks Unlimited program	27,587	11,036
Insurance	1,839	1,055
Interest and bank charges	664	50
Inventory adjustment	1,328	1,092
Office	18,945	9,466
PFRA programs	21,300	22,224
Public education	67,187	65,117
Repairs, maintenance and fuel	10,727	11,989
Shock chlorination	-	2,650
Soils miscellaneous	65,997	45,641
Soil projects	18,743	33,161
Telephone	3,505	2,724
Wages and benefits	78,589	92,520
Water projects	171,904	163,244
Wildlife projects	22,414	36,452
	511,744	499,425
CAPITAL		
Equipment	2,952	7,904
Vehicle	958	2,875
	3,910	10,779
	$ 515,654	$ 510,204

PEMBINA VALLEY CONSERVATION DISTRICT

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2002

	Total Expenditures	External	Provincial	District/ Landowner
ADMINISTRATION				
General	$ 60,930	$ 7,440	$ 39,122	$ 14,368
Shed repairs	2,833	-	708	2,125
	63,763	7,440	39,830	16,493
PUBLIC EDUCATION	56,939	24,159	24,585	8,195
PROJECT SUPPORT				
General	65,047	9,675	41,529	13,843
Vehicle	7,893	-	5,920	1,973
	72,940	9,675	47,449	15,816
SOILS MISCELLANEOUS	85,788	51,049	26,054	8,685
WILDLIFE/FISHERIES	32,080	21,939	7,606	2,535
WATER				
Multi-purpose projects	141,150	16,895	93,191	31,064
Water education/well filling	43,985	30,956	9,772	3,257
Watershed plans	15,098	5,000	7,574	2,524
	200,233	52,851	110,537	36,845
TOTAL	511,743	167,113	256,061	88,569
ASSETS				
Inventory	5,441	4,114	995	332
Equipment - capital	3,911	-	2,933	978
	9,352	4,114	3,928	1,310
TOTAL EXPENDITURES	$ 521,095	$ 171,227	$ 259,989	$ 89,879

PROVINCIAL GRANT SUMMARY	
2001/2002 Grant received	$ 250,000
Less: share of expenditures	(259,989)
	$ (9,989)

Jim M. Smith
Chartered Accountant Inc.

SEINE-RAT RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2002

SEINE-RATE RIVER CONSERVATION DISTRICT

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MEYERS NORRIS PENNY LLP

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To the Board
Seine-Rat River Conservation District

AUDITORS' REPORT

We have audited the statement of financial position of **Seine-Rat River Conservation District** as at **March 31, 2002** and the statement of operations for the period September 1, 2001 to March 31, 2002 for the period then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2002 and the results of its operations for the period then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

June 11, 2002

Chartered Accountants

MNP

SEINE-RAT RIVER CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2002

ASSETS

Cash		5,189
Capital Assets		
Computer software	5,591	
Office furniture	3,905	9,496
		14,685

LIABILITIES

Current		
Provincial grants payable	2,596	
Accounts payable	1,727	4,323

NET ASSETS

Excess of Revenues over Expenses	10,362
	14,685

On Behalf of the Board:

Director

Director

SEINE-RAT RIVER CONSERVATION DISTRICT

STATEMENT OF OPERATIONS
MARCH 31, 2002

REVENUES		
Grant		
Province of Manitoba	27,404	
Levy		
Rural Municipality of LaBroquerie	10,000	37,404
EXPENSES		
General and Administration		
Bank charges	35	
Goods and services tax	704	
Office	740	
Telephone	469	
Wages and benefits	6,757	
Program Costs		
Advertising	364	
Board remuneration	4,350	
Drainage maintenance	9,186	
General	571	
Mileage	1,552	
Seminar and conference	2,314	27,042
EXCESS OF REVENUES OVER EXPENSES		10,362

SEINE-RAT RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2002

1. OPERATIONS

The Seine-Rat River Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The District receives funding from the Province of Manitoba and the Rural Municipality of LaBroquerie and is governed by a board of directors from the municipality involved in the Conservation District. The District is exempt from income taxes.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is not recorded.

3. SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

The Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

SEINE-RAT RIVER CONSERVATION DISTRICT

SCHEDULE OF COST SHARING
MARCH 31, 2002

Schedule 1

	Total Expenditures	Provincial	District
Administration	8,705	6,529	2,176
Program costs	18,337	13,753	4,584
Assets			
Computer software	5,591	4,193	1,398
Office furniture	3,905	2,929	976
	36,538	27,404	9,134

SEINE-RAT RIVER CONSERVATION DISTRICT

SCHEDULE OF PROVINCIAL GRANT PAYABLE
MARCH 31, 2002

Schedule 2

Provincial Grant, 2001 - 2002	30,000
Less: 2001 – 2002 Allocated Grant	27,404
Provincial Grant Payable – 2001 - 2002	2,596

Tiger Hills Conservation District

Auditors' Report and Financial Statements

March 31, 2002

Collins Barrow
Chartered Accountants

401 Century Plaza
One Wesley Avenue
Winnipeg, Canada
R3C 4C6

T. 204 942 0221
F. 204 944 8371
email collinsbarrow@mpgcb.com

Auditors' Report

To the Members
Tiger Hills Conservation District

We have audited the balance sheet of Tiger Hills Conservation District as at March 31, 2002 and the statements of revenue and expenditures and surplus and cash flows for the fifteen months period then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2002 and the results of its operations for the fifteen months period then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Canada
May 29, 2002

Collins Barrow

CHARTERED ACCOUNTANTS

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Tiger Hills Conservation District

Financial Statements
March 31, 2002

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Tiger Hills Conservation District
Balance Sheet
March 31, 2002

Assets

Current assets

Cash and short term investments	$ 1,223
Accounts receivable (note 3)	3,559
	$ 4,782

Liabilities

Current liabilities

Accounts payable and accrued charges	$ 2,472

Surplus

Surplus	2,310
	$ 4,782

Approved By the Board:

_____, Director

_____, Director

Tiger Hills Conservation District

Statement of Revenue and Expenditures and Surplus
For The Fifteen Months Ended March 31, 2002

Revenue		
Municipal levies		
Rural Municipality of Argyle	$ 11,897	
Rural Municipality of Glenwood	9,484	
Rural Municipality of South Cypress	8,300	
Rural Municipality of Strathcona	6,602	
Village of Glenboro	946	$ 37,229
Provincial grants		125,528
Sales of services		2,784
Canada Employment		1,650
Donations		1,527
PFRA		5,984
Ducks Unlimited		4,602
Covering New Ground		1,125
Partner and landowner contributions		400
Miscellaneous		140
Interest income		1,125
		182,094
Expenditures		
Program management	48,389	
Public education	10,851	
District programs	69,414	
Project support	8,378	
Equipment purchases	42,752	179,784
Excess of revenue over expenditures and surplus end of the period		$ 2,310

Tiger Hills Conservation District
Statement of Cash Flows
For The Fifteen Months Ended March 31, 2002

Cash Provided By (Used For)	
Operating activities	
Excess of revenue over expenditures	$ 2,310
Changes in non-cash working capital	
Increase in accounts receivable	(3,559)
Increase in accounts payable	2,472
Cash and short term investments, end of the year	$ 1,223

Tiger Hills Conservation District
Notes to the Financial Statements
March 31, 2002

1. Nature of Activities

The Conservation District was established pursuant to The Conservation Districts Act of Manitoba and authorized by Order in Council 453/2000. It commenced operations on January 1, 2001.

These financial statements present the results of operations of the Conservation District for the fifteen months period ended March 31, 2002.

2. Significant Accounting Policies

Inventories

Inventories of materials and supplies are not taken into account. Such items are expensed in the year purchased.

Income Taxes

Tiger Hills Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

Capital Assets

It is the District's policy to expense capital assets in the year of purchase.

3. Accounts Receivable

Province of Manitoba - grant	$ 2,528
Goods and services tax	1,001
Sale of services	30
	$ 3,559

Tiger Hills Conservation District

Schedule of Expenditures
For The Fifteen Months Ended March 31, 2002

Program Management		
Advertising and promotion	$ 1,781	
Bank charges and interest	964	
Board expenses (100%)	8	
Board remuneration and expenses	14,051	
Employee benefits	3,513	
Insurance	146	
MCDA fees	1,600	
Office operation	835	
Printing, postage and stationery	1,782	
Building expense	51	
Manager salary and benefits (portion only)	12,425	
Manager expense	1,195	
Administrator wages and expenses	5,048	
Utilities	3,159	
Vehicle expenses	1,383	
Custom work	397	
Equipment maintenance	51	$ 48,389
Public Education		10,851
District Programs		
Abandoned wells	18,355	
Alternate water	11,935	
Forage seed	13,964	
Well rehabilitation	10,536	
Winter wheat	11,110	
Mole leveling	3,514	69,414
Project support		8,378
Equipment purchases		
GIS software - 100% province	17.000	
Other	25,752	42,752
		$179,784

Tiger Hills Conservation District

Schedule of District Programs
For The Fifteen Months Ended March 31, 2002

	Elgin Creek	Pelican/ Rock Lake	Upper Oak	Lower Oak	Central Assiniboine	Total
Abandoned wells	$ 2,597	$ 6,176	$ 3,169	$ 4,493	$ 1,920	$ 18,355
Alternate water	2,419	2,379	2,379	2,379	2,379	11,935
Forage seed	2,120	3,528	2,200	3,596	2,520	13,964
Well rehabilitation	2,456	1,920	1,920	2,320	1,920	10,436
Winter wheat	1,920	2,430	2,120	2,720	1,920	11,110
Mole leveling				3,514		3,514
	$ 11,512	$ 16,433	$ 11,788	$ 19,022	$ 10,659	$ 69,414

Tiger Hills Conservation District

Schedule of Cost Sharing
For The Fifteen Months Ended March 31, 2002

	Total Expenditures	External	Provincial	Local Levy
Program Management				
General	$ 48,381	$ 1,650	$ 35,048	$ 11,683
Other	8	1,265		(1,257)
	48,389	2,915	35,048	10,426
Public Education	10,851	-	8,138	2,713
District Programs				
Abandoned wells	18,355	10,295	6,045	2,015
Alternate water	11,935	1,125	8,108	2,702
Forage seed	13,964	2,301	8,747	2,916
Well rehabilitation	10,536	400	7,602	2,534
Winter wheat	11,110	2,301	6,607	2,202
Mole leveling	3,514		2,635	879
	69,414	16,422	39,744	13,248
Project support	8,378	-	6,284	2,094
Equipment purchases				
GIS software	17,000		17,000	
Other	25,752		19,314	6,438
	42,752	-	36,314	6,438
Total Expenditures	$179,784	$ 19,337	$125,528	$ 34,919
Total Expenditures	100%	11%	69%	20%
Reconciliation of provincial grant receivable				
Share of expenditures				$125,528
Less 2001/2002 grant received				(123,000)
Provincial grant receivable				$ 2,528

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

FINANCIAL STATEMENTS

MARCH 31, 2002

MEYERS NORRIS PENNY

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

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CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
233 QUEEN ST W, BOX 670 VIRDEN, MB R0M 2C0
PH (204) 748 1340 FAX (204) 748 3294 www.mnp.ca

MEYERS NORRIS PENNY LLP

MANAGEMENT'S RESPONSIBILITY

To the Board of Directors of Turtle Mountain Conservation District No. 4:

Management has the responsibility for preparing the accompanying financial statements and ensuring that information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors is composed entirely of directors who are neither management nor employees of the organization.

External auditors are appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both management and the Board to discuss their audit findings.

Chairperson

Secretary-Treasurer

an independent member of BAKER TILLY INTERNATIONAL

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
233 QUEEN ST. W., BOX 670, VIRDEN, MB R0M 2C0
PH. (204) 748-1340 FAX (204) 748-3294 www.mnp.ca

MEYERS NORRIS PENNY

The Board
Turtle Mountain Conservation District No. 4

AUDITORS' REPORT

We have examined the statement of financial position of the Turtle Mountain Conservation District No. 4 as at March 31, 2002 and the statement of operations for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As explained in Note 2, the statement of operations has not combined the transactions of the Sub-District Programs, Equipment Programs or Reserve Funds with those of the General Board Program. Had a statement of operations included the combined results of all of the funds, the excess of revenues over expenses would have shown $939 (2000, $34,426).

In our opinion, except that the statement of operations does not combine the results of all funds as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the district as at March 31, 2002 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

June 7, 2002
Virden, Manitoba

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 1

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2002

	2002	2001
ASSETS		
CURRENT		
Cash and short term investments	394,256	403,749
Accounts receivable (Note 3)	28,320	9,239
Inventory	5,800	10,672
	428,376	423,660
CAPITAL ASSETS (Note 4)	81,764	93,913
	510,140	517,573
LIABILITIES		
CURRENT		
Accounts payable	10,551	6,804
Unearned revenue	46,584	58,703
	57,135	65,507
SURPLUS (DEFICIENCY)		
GENERAL BOARD PROGRAM	230,730	224,992
SUB-DISTRICT PROGRAM	110,684	117,116
EQUIPMENT PROGRAM #1	(3,795)	(1,594)
EQUIPMENT PROGRAM #2	83,386	79,552
EQUIPMENT RESERVE	32,000	32,000
	453,005	452,066
	510,140	517,573

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 2

GENERAL BOARD PROGRAM
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2002

	2002	2001
REVENUE		
Province of Manitoba	173,544	208,577
Municipal levies	52,443	52,442
Ducks Unlimited	13,250	25,767
Interest	11,532	16,462
Land rental	2,285	2,325
Miscellaneous	5,000	1,481
Recreation Committee	260	736
Soils Committee	23,701	41,682
Agricultural Sustainability Initiative	13,268	13,612
Transfer from Equipment Program #2		3,521
Transfer from forage seed reserve		2,246
Manitoba Habitat Heritage		3,750
Critical Wildlife Program		1,000
Special Conservation fund		8,970
Direct charges	275	
Natural Resources	500	
Pembina River Basin Advisory Board	6,400	
Outside funding	39,193	
Transfer from sub-district program	4,868	
	346,519	382,571

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 2

GENERAL BOARD PROGRAM
STATEMENT OF OPERATIONS
MARCH 31, 2002

	2002	2001
EXPENSES		
Administrative - general	68,796	64,615
- local	180	180
Board and committee remuneration	21,028	13,325
Amortization - office equipment	5,820	3,745
- field equipment	11,263	19,088
- program support equipment	1,076	840
Direct expenses		
District supervisor - salary	23,313	45,210
- expenses	2,833	952
Professional education and development	100	229
Program support assistant	5,635	3,027
Public relations	389	25
Special Programs		
Forage Seed Assistance	87,581	81,238
Public Education	27,588	28,203
Road Allowance Program		96
Shelterbelt Program	40,144	48,143
Wildlife Habitat Improvement Program	2,789	3,001
Demonstration Projects	7,127	6,890
Salinity Barrier Program	2,100	3,122
Flushing Bar Program		1,200
Waterfowl Habitat Lease Program	2,750	3,000
No-Till Program	3,200	8,200
Riparian Habitat		3,000
Canada Creek Bank stabilization		8,970
Extending the Grazing Season Program		5,150
Alternative Forage Species		4,462
Manure, Water Quality Program		4,000
Holistic Resource Management Course	5,315	
Pembina River Basin Advisory Board	8,486	
Hog manure – ASI	4,716	
Straw cover – ASI	7,300	
Saline seeding and Plot Tour – ASI	1,252	
	340,781	359,911
EXCESS OF REVENUE OVER EXPENSES	5,738	22,660
SURPLUS - Beginning of year	224,992	202,332
SURPLUS - End of year	230,730	224,992

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 3

SUB-DISTRICT PROGRAM
STATEMENT OF OPERATIONS AND SURPLUS
YEAR ENDED MARCH 31, 2002

	WAKOPA	UPPER PEMBINA	WEST ARTHUR	WASKADA CREEK	MEDORA CREEK	CHAIN LAKES	ELGIN CREEK WH. LAKE	TOTAL 2002	TOTAL 2001
REVENUE									
Municipal levies	8,425	7,821	2,954	8,594	6,808	2,304	6,628	**43,534**	43,535
Province of Manitoba	25,501	24,351	5,242	39,004	16,915	6,721	20,598	**138,332**	92,530
Program Revenue	191	356	80	1,347	435	150	1,151	**3,710**	7,244
Ducks Unlimited	-	-	-	-	-	-	-	**-**	5,000
Disaster Financial Ass. – EMO	-	-	-	2,087	-	-	-	**2,087**	9,186
Land Rental Revenue	300	-	-	-	-	675	-	**975**	1,030
Special Cons. Fund	-	-	-	-	-	-	-	**-**	8,988
Sustainable Dev. Innov. Fund	2,265	-	-	-	-	-	-	**2,265**	11,213
Municipal grants	2,800	-	-	-	-	-	-	**2,800**	-
Green Team	2,250	-	-	-	-	-	-	**2,250**	-
	41,732	32,528	8,276	51,032	24,158	9,850	28,377	**195,953**	178,726
EXPENSES									
Runway Stabilization	16,776	161	399	26,910	8,323	644	(120)	**53,093**	30,197
Water storage	-	6,882	559	12,034	2,605	340	15,502	**37,922**	23,132
Engineering	5,636	8,360	3,449	13,818	6,530	2,443	5,830	**46,066**	38,367
Habitat/Riparian	-	2,530	-	-	-	131	140	**2,801**	1,804
Killarney Lake Curtain Project	2,265	-	-	-	-	-	-	**2,265**	11,213
Other	7,860	638	2,662	1,649	3,767	1,823	176	**18,575**	12,497
Well sealing	1,906	3,554	-	618	1,045	1,373	3,277	**11,773**	18,626
Road allowance	4,573	9,562	-	539	94	244	2,766	**17,778**	9,269
Winter Wheat Program	-	-	-	-	-	-	-	**-**	10,310
Access Ramps	1,081	3,288	-	-	1,001	-	1,874	**7,244**	8,708
Planned grazing	-	-	-	-	-	-	-	**-**	2,080
Transferred to Board Program	1,925	-	-	-	-	2,943	-	**4,868**	-
	42,022	34,975	7,069	55,568	23,365	9,941	29,445	**202,385**	166,203
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(290)	(2,447)	1,207	(4,536)	793	(91)	(1,068)	**(6,432)**	12,523
SURPLUS - Beginning of year	14,728	30,266	3,081	3,231	31,173	10,542	24,095	**117,116**	104,593
SURPLUS - End of year	14,438	27,819	4,288	(1,305)	31,966	10,451	23,027	**110,684**	117,116

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 4

EQUIPMENT PROGRAM #1
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2002

	2002	2001
REVENUE		
Equipment revenue	6,850	11,561
EXPENSES		
Repairs and maintenance	3,431	5,855
Amortization	4,535	5,850
License and insurance	1,085	909
	9,051	12,614
DEFICIENCY OF REVENUE OVER EXPENSES	2,201	1,053
DEFICIENCY - Beginning of year	1,594	541
DEFICIENCY - End of year	3,795	1,594

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 5

EQUIPMENT PROGRAM #2
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2002

	2002	2001
REVENUE		
Equipment revenue	41,501	40,206
EXPENSES		
Insurance and licences	2,199	2,087
Repairs and maintenance	35,468	32,056
Transfer to General Board Program		3,521
	37,667	37,664
EXCESS OF REVENUE OVER EXPENSES	3,834	2,542
SURPLUS - Beginning of year	79,552	77,010
SURPLUS - End of year	83,386	79,552

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 6

EQUIPMENT RESERVE
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2002

	2002	2001
REVENUE		
Equipment revenue	-	-
EXPENSES	-	-
EXCESS OF REVENUE OVER EXPENSES	-	-
SURPLUS - Beginning of year	32,000	32,000
SURPLUS - End of year	32,000	32,000

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 7

FORAGE SEED RESERVE
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2002

	2002	2001
EXPENSE		
Transfer to General Board Program	-	2,246
DEFICIENCY OF REVENUE OVER EXPENSE	-	2,246
SURPLUS - Beginning of year	-	2,246
SURPLUS - End of year		-

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2002

NOTE 1 – OPERATIONS

The Turtle Mountain Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing resource programs and planning for sustainable soil and water management. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes under the *Income Tax Act*.

NOTE 2 - ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles except that a summary statement combining the operations of all funds has not been provided, and recommended terminology by the Canadian Institute of Chartered Accountants Handbook has not all been adopted. Significant accounting policies include the following:

REVENUE RECOGNITION

The Turtle Mountain Conservation District No. 4 follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

CAPITAL ASSETS

Capital assets are recorded at cost. Donated capital assets are recorded at estimated fair market value. Amortization is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

	Method	Rate
Office equipment	straight-line	15%
Field equipment - machinery	straight-line	10%
- vehicles	straight-line	15%
Program support equipment	straight-line	10%

EQUIPMENT GRANTS

Claims for assistance under various equipment grant programs are reflected as revenue in the period in which eligible expenses are incurred.

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

NOTE 3 – ACCOUNTS RECEIVABLE

	2002	2001
Trade	3,030	3,875
GST	1,640	801
Province of Manitoba (Schedule 2)	14,575	613
Other Programs	9,075	3,950
	28,320	9,239

NOTE 4 – CAPITAL ASSETS

	2002			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	49,808	25,433	24,375	25,518
Field equipment - machinery	197,987	164,388	33,599	44,920
- vehicles	57,001	43,254	13,747	18,223
Program support equipment	14,396	4,353	10,043	5,252
	319,192	237,428	81,764	93,913

NOTE 5 – FINANCIAL INSTRUMENTS

The company, as part of its operations, carries a number of financial instruments. It is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

NOTE 6 – STATEMENT OF CASH FLOW

The Statement of Cash Flow has not been provided as it would not provide additional useful information.

NOTE 7 –LEASE COMMITMENTS

The organization occupies leased premises on a month to month basis. Minimum quarterly payments are $1,838.

NOTE 8 – COMMITMENTS

The organization has committed funds in principal in the amount of $10,000 for the purchase of land pending commitment of funds from external agencies.

The organization has entered into an agreement with estimated minimum annual payments as follows:

2003	1,308
2004	1,308
2005	1,308

NOTE 9 – INCOME TAXES

The organization is registered as a charitable organization under the *Income Tax Act* (the "*Act*") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the *Act*, the Turtle Mountain Conservation District No. 4 must meet certain requirements within the *Act*. In the opinion of management, these requirements have been met.

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 1

SCHEDULE OF COST SHARING
YEAR ENDED MARCH 31, 2002

	Total Expenditures	External	Provincial	Local
ADMINISTRATION				
General	67,598	-	50,699	16,899
Other	906	-	-	906
	68,504		50,699	17,805
ASSETS				
Office equipment	4,676	-	-	4,676
Equipment	5,868	1,000	3,651	1,217
Inventory	5,003	-	3,752	1,251
Amortization	17,421	-	-	17,421
Amortization	-	-	-	
	32,968	1,000	7,403	24,565
PUBLIC EDUCATION				
Education	24,638	500	18,104	6,034
Ducks Unlimited – On the Go	2,950	2,950	-	-
Human Resources Management	5,315	4,000	986	329
	32,903	7,450	19,090	6,363
PROJECT SUPPORT				
General	33,205	2,250	23,216	7,739
Remuneration	21,028	-	15,771	5,257
	54,233	2,250	38,987	12,996
SOILS				
Forage seed	36,011	-	17,976	18,035
Forage seed #2	51,570	-	12,377	39,193
Shelterbelt Program	40,144	8,976	23,376	7,792
Land management	7,126	-	5,344	1,782
Utilizing hog manure	4,716	4,716	-	-
Salinity Barrier Program	2,100	2,100	-	-
No Till Program	3,200	3,200	-	-
Straw Cover for Odor Cont.	7,300	7,300	-	-
Saline Seeding and Plot Tour	1,252	1,252	-	-
Direct expense	275	275	-	-
PRBAB	8,485	6,400	1,564	521
	162,179	34,219	60,637	67,323
WILDLIFE				
Wildlife Habitat	2,789	2,285	378	126
Waterfowl Habitat Lease	2,750	2,750	-	-
	5,539	5,035	378	126

MNP

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TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 1

SCHEDULE OF COST SHARING
YEAR ENDED MARCH 31, 2002

	Total Expenditures	External	Provincial	Local
SUB-DISTRICT PROGRAMS				
Maintenance	53,093	2,087	38,255	12,751
Reconstruction/New Programs	37,922	2,336	26,690	8,896
Engineering	46,066	-	34,550	11,516
Habitat/Riparian	2,801	675	1,594	532
Well sealing	11,773	1,350	7,817	2,606
Road allowance	17,778	3,469	10,731	3,578
Killarney Curtain	2,265	2,265	-	-
Access ramps	7,244	171	5,305	1,768
Other	18,575	5,590	9,739	3,246
	197,517	17,943	134,681	44,893
	553,843	67,897	311,875	174,071

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 2

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
YEAR ENDED MARCH 31, 2002

PROVINCIAL GRANT, 2001-2002	327,063
LESS, 2000-2001 Provincial Grant Receivable	613
	326,450
LESS, 2001-2002 Allocated Grant (Schedule 1)	311,875
PROVINCIAL GRANT RECEIVABLE, 2001-2002	14,575

MNP

ZAPLITNY & ZAMRYKUT
Chartered Accountants

F.D. Zaplitny, C.A.
D.A. Zamrykut, B.Comm., C.A.
S.D. Love, B.Comm., C.A.

510 Main St. N.
Dauphin, Manitoba, R7N 1C9

Telephone (204) 638-3543
Fax (204) 638-7738

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

FINANCIAL STATEMENTS

As at March 31st, 2002

AUDITOR'S REPORT

To the Board of Directors of the Turtle River Watershed Conservation District:

We have audited the balance sheet of Turtle River Watershed Conservation District #2 as at March 31st, 2002 and the other statements, being Exhibits "B" to "G" inclusive which covers the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Watershed as at March 31st, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

ZAPLITNY & ZAMRYKUT,
Chartered Accountants

DAUPHIN, Manitoba
May 15th, 2002

EXHIBIT "A"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

BALANCE SHEET
As at March 31st, 2002 and 2001

	2002	2001
ASSETS		
Current Assets -		
Cash on Hand and in Bank	$ 37,552	32,365
Short Term Investments	3,449	3,449
Receivable - Province of Manitoba - Note 2	22,448	3,600
Accounts Receivable - Note 3	56,434	29,895
Prepaid Expenses	624	676
Inventory	94,673	105,719
Total Current Assets	215,180	175,704
Fixed Assets, Net Book Value - Note 5	63,006	80,984
Total	$ 278,186	256,688
LIABILITIES		
Current Liabilities -		
Accounts Payable - Note 6	$ 17,861	23,514
Labour Crew Surcharge	2,850	9,064
Prepaid Levy and Grant	1,328	1,322
Prepaid Grant	8,000	
Total Current Liabilities	30,039	33,900
Watershed Fund Accounts -		
General Board Fund - Exhibit "B"	169,565	169,283
Flood Protection Reserve - Exhibit "C"	13,782	12,122
Emergency Reserve - Exhibit "D"	15,534	14,771
Land Development Reserve - Exhibit "E"	324	324
Equipment Fund - Exhibit "F"	48,942	26,288
Total Watershed Fund Accounts	248,147	222,788
Total	$ 278,186	256,688

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "B"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF GENERAL BOARD PROGRAM ACCOUNT
For the Years Ended March 31st, 2002 and 2001

	2002	2001
Revenue -		
Municipal Levies	$ 98,766	79,511
Province of Manitoba Allocated Grant	418,848	401,600
Municipal Grants	62,836	58,223
Other Grants	31,724	5,365
Custom Work	28,339	22,574
Land Owner Revenue	13,894	10,212
Interest Income	558	454
Other Income	1,806	816
Transfer from Reserve Accounts:		
Equipment Reserve		39,442
	656,771	618,197
Expenditures -		
Board Remuneration	17,367	22,529
Administration	21,117	20,727
Wages and Benefits	87,375	85,140
Staff Expenses	11,949	10,935
Office Rent	7,453	6,483
Annual Dinner Expense		551
MCDA Dues	1,500	1,500
Public Education	4,191	7,272
Custom Work and Spray	28,339	22,573
Forage Assistance	12,761	19,161
Wildlife Incentive		300
Grassed Waterway	16,496	1,138
Land Management Services	418	12,929
Drain Cleanouts	123,511	141,417
Brushing and Spraying	33,598	16,791
General Maintenance	34,733	25,499
Union Expenses - Note 4	23,335	
CN Right of Way	7,720	
Crossing Repairs	6,982	2,247
Crossing Replacements	25,624	81,641
Program Evaluation	2,260	4,662
Consultant Fees	22,539	23,962
Labour Crew Costs	18,296	21,957
Shed Expenses	2,353	1,835
Bank Stabilization	12,198	2,345
Depreciation Expense	25,048	20,837
Plastic Mulch Program	558	6,425
Legal Surveys	20,609	
Spring Run-off Damages	56,413	
Sustainble Development	17,427	
S.R.F.P.S.	12,193	
Total Forward	$ 654,362	560,856

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "B"
CONT'D

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF GENERAL BOARD PROGRAM ACCOUNT
For the Years Ended March 31st, 2002 and 2001

	2002	2001
Total Expenditures Before Transfers to Reserves	$ 654,362	560,856
Excess Revenues over Expenditures (Expenditures over Revenues)	2,409	57,341
Deduct: Transfers to Reserve Accounts -		
Emergency Reserve	763	1,000
Flood Protection Reserve	1,660	9,816
Total Transfers	2,423	10,816
Excess Revenues over Expenditures (Expenditures over Revenues)	(14)	46,525
Add: Opening Balance	169,283	124,562
Inventory Adjustment	296	(1,804)
Closing Balance	$ 169,565	169,283

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "C"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF FLOOD PROTECTION RESERVE
For the Years Ended March 31st, 2002 and 2001

	2002	2001
Amount at Opening	$ 12,122	2,306
Add - Transfer from General Board Fund	1,660	9,816
Amount at Closing	$ 13,782	12,122

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "D"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF EMERGENCY RESERVE
For the Years Ended March 31st, 2002 and 2001

	2002	2001
Amount at Opening	$ 14,771	13,771
Add - Transfer from General Board Fund	763	1,000
Amount at Closing	$ 15,534	14,771

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "E"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF LAND DEVELOPMENT RESERVE
For the Years Ended March 31st, 2002 and 2001

		2002	2001
Amount at Opening	$	324	324
Add - Transfer from General Board Fund			
Amount at Closing	$	324	324

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "F"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF EQUIPMENT ACCOUNT
For the Years Ended March 31st, 2002 and 2001

	2002	2001
Revenues -		
Truck	$ 31,495	20,409
Tractor	9,525	6,115
Labour Crew Tools & Equipment	2,927	2,237
Trailer	950	925
Total	44,897	29,686
Expenditures -		
Truck	17,201	12,382
Tractor	3,061	866
Labour Crew Tools & Equipment	796	50
Trailer	1,185	530
Total	22,243	13,828
Excess Revenues over Expenditures	22,654	15,858
Balance, Beginning of Year	26,288	49,872
	48,942	65,730
Less Transfer to Board Fund - Tractor		8,000
- Truck		31,442
Balance, End of Year	$ 48,942	26,288

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "G"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
For the Year Ended March 31st, 2002

	Total	% Shareable Prov/District/ External	Provincial Share	District & Other Share
Projects and Programs:				
Office Operations	$ 28,570	75/25	21,428	7,142
Office Salaries	87,375	75/25	65,531	21,844
Staff Expenses	11,949	75/25	8,962	2,987
Board Remuneration	17,367	75/25	13,025	4,342
Program Evaluation & Summer Students	2,260	1/99	7	2,253
Consultant Fees	22,539	75/25	16,904	5,635
Public Education	4,191	34/66	1,425	2,766
Union Epenses (Lawyer) - Note 4	23,335	75/25	17,501	5,834
Forage Program	12,761	0/100		12,761
Grassed Waterways	16,496	75/25	12,372	4,124
Plastic Mulch Program	558	75/25	419	139
Bank Stabilization	12,198	75/25	9,149	3,049
CN Right of Way	7,720	26/73	2,025	5,695
Escarpmental Erosion Control	17,427	0/100		17,427
Drain Cleanouts	123,511	75/25	92,633	30,878
Land Management Services	418	75/25	314	104
General Maintenance	34,733	75/25	26,800	7,933
Brushing and Spraying	33,598	75/25	25,198	8,400
Custom Work & Spraying	28,339	0/100		28,339
Spring Flood Damages	56,413	75/25	42,310	14,103
Crossing Repairs	6,982	75/25	5,236	1,746
Crossing Replacement	25,624	75/25	19,218	6,406
Legal Surveys	20,608	75/25	15,456	5,152
SRFPS	12,193	75/25	9,145	3,048
Labour Crew Costs	18,296	75/25	13,722	4,574
Shed Expenses	2,353	75/25	1,765	588
MCDA Dues	1,500	75/25	1,125	375
Inventory Sales - Net	(10,833)	75/25	(8,125)	(2,708)
Asset Purchases	7,070	75/25	5,303	1,767
Depreciation	25,048	0/100		25,048
Total	$ 650,599		418,848	231,751

(The accompanying notes are an integral part of these financial statements)

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

NOTES TO FINANCIAL STATEMENTS
March 31st, 2002

1. **Significant Accounting Policies -**

Fixed Assets are recorded at cost and depreciation is provided for in the Accounts calculated on the Straight-Line basis in accordance with their useful life on the following basis:

Office Equipment	15%
Computer Equipment	20%
Storage Yard Fence	5%
Tools & Equipment	20%
Building	4%
Truck	25%
Tractor	20%
Leasehold Improvements	Amortized over remaining term of lease of 36 months

2. Accounts Receivable - Province of Manitoba -

	2002	2001
Amount at Beginning of Year	$ 3,600	NIL
Add - Allocated to Watershed Programs - General Board	418,848	401,600
	422,448	401,600
Less - Grant Received	400,000	398,000
Balance, End of Year	$ 22,448	3,600

3. Accounts Receivable -

Forage Customers	$ 9,766	9,344
GST Recoverable	7,371	4,929
Rural Municipalities and Villages	37,519	13,748
Canada Savings Bonds	720	1,303
Other	1,058	571
	$ 56,434	29,895

4. Union Expenses

During the year ended March 31s, 2002, the Districts employees applied for Union Certification. The Union expenses shown in these financial statements represent amounts paid to a lawyer who was hired by the Board to facilitate the process of unionization and help in the negotiation of the contract. The Union expenses are shown as being cost shared 75% by the Province on Exhibit "G". At the time of preparation of these financial statements, it is still not known if the Province will cover 75% of these costs.

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

NOTES TO FINANCIAL STATEMENTS
March 31st, 2002

5. Fixed Assets -

	Cost	Accumulated Depreciation	2002 Book Value	2001 Book Value
Office Equipment & Computers	$ 41,452	34,184	7,268	10,716
Fence	4,863	4,295	568	811
Trucks	87,146	69,459	17,687	25,547
Tools	23,073	23,073	NIL	NIL
Building	28,213	14,060	14,153	11,987
Plastic Mulcher	1,469	1,419	50	343
Tractor, Drill, Sprayer	54,981	36,481	18,500	24,500
Trailers	5,312	4,895	417	731
Leasehold Improvements	7,143	3,175	3,968	6,349
L.C. Water Tank	452	57	395	
	$ 254,104	191,098	63,006	80,984

6. Accounts Payable -

	2002	2001
Forage Seed	$ 12,052	17,090
Trade Payables	962	1,193
O/S Land Issues	3,015	3,015
Other	1,832	2,216
	$ 17,861	23,514

7. Land Acquisitions -

In accordance with district policy, land acquisitions are expensed in the year purchased. For information purposes, inventories of land parcels owned by the district are as follows:

Description	Purchase Date	Purchase Price
N1/2 of 31-23-17WPM	Dec 19/86	$ 21,500
SE1/4 of 27-20-14WPM	Mar 14/88	7,500
SW1/4 of 19-22-17WPM	June 28/89	20,000
NE1/4 22-20-14WPM	April 8/91	8,800
SW1/4 24-23-18WPM	Aug 10/90	22,500
S1/2 of 22-22-14WPM	May 2/89	13,000
NE1/4 of 1-22-14WPM	Mar 8/91	10,000
SW1/4 of 8-24-17WPM	Apr 27/92	14,500
PT of SE of 20-24-17WPM	Sept 8/94	4,132
NW of 30-23-17WPM	1996	17,500
SE1/4 of 25-23-18WPM	May 1/96	17,500
NE1/4 25-23-18WPM	1997	25,000
NW1/4 25-25-18WPM	1997	25,000
PT of N1/2 24-23-18WPM	1998	10,700

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

FINANCIAL STATEMENTS

For the year ended 31st March 2002

Bellas & Reid

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

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Bellas & Reid

Bellas & Reid
CHARTERED ACCOUNTANTS

Kenneth W. Bellas, B.Sc., C.A.
204 Rosser Avenue, Brandon, MB R7A 0J9 Phone: (204) 727-5746 Fax: (204) 727-5264

Harold E. Reid, B. Comm. (Hons.), C.A.
Box 610, Russell, MB R0J 1W0 Phone: (204) 773-2106 Fax: (204) 773-3410
(204) 842-5388

AUDITORS' REPORT

TO the Board of Directors of the
Upper Assiniboine River Conservation District No. 8:
Miniota, Manitoba

We have audited the balance sheet of **Upper Assiniboine River Conservation District No. 8** as at **31st March 2002** and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization **AS AT 31ST MARCH 2002** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

Bellas & Reid

CHARTERED ACCOUNTANTS

Russell, Manitoba
May 2, 2002

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
BALANCE SHEET
For the year ended 31st March 2002

	2002	2001
ASSETS		
CURRENT		
Cash	$ 83,494	$ 101,024
Accounts receivable	55,743	11,090
GST receivable	2,239	1,913
Provincial grant receivable (Note 8)	1,608	2,448
Inventories (Note 2)	1,674	3,125
Prepaid expenses	2,330	837
	147,088	120,437
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 3)	75,056	61,549
PATRONAGE DIVIDENDS	770	632
	$ 222,914	$ 182,618
LIABILITIES		
CURRENT		
Accounts payable	$ 79,336	$ 76,182
SURPLUS		
SURPLUS	143,578	106,436
	$ 222,914	$ 182,618

APPROVED ON BEHALF OF THE BOARD:

Leonard Sicho Director

Ron Bryant Director

Bellas & Reid

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
For the year ended 31st March 2002

	2002	2001
REVENUE		
Province of Manitoba grant	$ 219,160	$ 209,424
Municipal grants (Note 6)	66,416	62,863
Landowner	47,048	62,063
External Funding	62,571	55,581
Interest	4,071	2,563
	399,266	392,494
EXPENDITURE		
Wildlife	5,903	18,607
Office operation	57,523	63,137
Public education	26,759	35,756
Soil programs	79,518	94,490
Program support	84,004	74,274
Water programs	108,417	87,742
	362,124	374,006
NET INCOME FOR YEAR	37,142	18,488
SURPLUS, BEGINNING OF YEAR	106,436	87,948
SURPLUS, END OF YEAR	$ 143,578	$ 106,436

Bellas & Reid

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
STATEMENT OF CASH FLOWS
For the year ended 31st March 2002

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for year	$ 37,142	$ 18,488
Changes in non-cash working capital (Note 4)	(41,027)	59,478
	(3,885)	77,966
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,507)	(11,052)
Change in other long-term assets	(138)	
	(13,645)	(11,052)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,530)	66,914
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	101,024	34,110
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 83,494	$ 101,024

Bellas & Reid

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2002

1. ENTITY DEFINITION

The Upper Assiniboine River Conservation District No. 8 was formed in 1996 to aid in the conservation of natural resources in the Municipalities of Birtle, Rossburn, Hamiota, Shoal Lake, Miniota, Ellis, Archie and Woodworth.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The organization is no longer recording amortization for property, plant and equipment.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Office Equipment	$ 26,951	6,909		$ 33,860
Automotive Equipment	36,953			36,953
Trailer Equipment	2,580			2,580
Surveying Equipment	13,896	617		14,513
Water Testing	3,636			3,636
Pipeline Plow		5,981		5,981
	84,016	13,507		97,523
ACCUMULATED AMORTIZATION				
Office Equipment	8,393			8,393
Automotive Equipment	11,473			11,473
Trailer Equipment	210			210
Surveying Equipment	2,073			2,073
Water Testing	318			318
	22,467			22,467
NET BOOK VALUE	$ 61,549			$ 75,056

Bellas & Reid

4. CHANGES IN NON-CASH WORKING CAPITAL

	2002	2001
Change in cash from changes in:		
Accounts receivable	$ (44,653)	$ 57,696
Inventories	1,451	1,808
Prepaid expenses	(1,493)	2,289
Other assets	514	3,050
Deferred expenses		(166)
Accounts payable	3,154	(5,199)
	$ (41,027)	$ 59,478

5. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation

6. Municipal Grants

Grants received from local government involvement in the conservation district were the following:

	2002	2001
R M. of Birtle	$ 10,298	$ 10,306
R.M. of Rossburn	6,324	6,318
R.M. of Hamiota	8,644	8,644
R.M. of Miniota	8,546	8,546
R.M. of Ellice	4,672	4,672
R.M. of Shoal Lake	6,733	6,736
Village of Hamiota	476	476
Town of Rossburn	386	386
Town of Shoal Lake	915	912
Town of Birtle	600	604
R.M. of Woodworth	10,156	15,263
R.M. of Archie	8,666	
	$ 66,416	$ 62,863

7. Registered Charity

Upper Assiniboine River Conservation District No. 8 is now a registered charity. The conservation district is now capable of issuing out charitable donation receipts. There is no change to the GST method of reporting, the rebate allowed still falls under municipal government at 57.14%.

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7. FINANCIAL INSTRUMENTS

Credit risk management

The company is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the Company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The company does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

8. PROVINCIAL GRANT RECEIVABLE/PAYABLE

	2002	2001
Grant - Province of Manitoba	$ 220,000	$ 210,000
Less: Prior year receivable	2,448	3,024
GRANT RECEIVED	217,552	206,976
Less: Provincial allocation	219,160	209,424
RECEIVABLE - PROVINCE OF MANITOBA	$ 1,608	$ 2,448

Bellas & Reid

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
SCHEDULE OF PROVINCIAL CONTRIBUTIONS
For the year ended 31st March 2002

PROJECTS & PROGRAMS	Amount	Provincial	Local	External
PROGRAM MANAGEMENT				
Telephone/Internet/Cellular Phone	3,943	2,957	986	
Accounting & Legal	1,288	966	322	
Office Operation	52,292	36,594	12,198	3,500
	57,523	**40,517**	**13,506**	**3,500**
PROGRAM SUPPORT				
Staff Wages	45,649	26,146	8,715	10,788
Staff Expenses	7,935	5,951	1,984	
Board Remuneration	18,375	13,782	4,593	
Insurance/Maintenance/Gas	10,330	7,605	2,535	190
Small Tools/Survey Supplies	1,715	1,286	429	
	84,004	**54,770**	**18,256**	**10,978**
PUBLIC EDUCATION				
Prints/Audio/Visual	1,005	754	251	
Conference & Training/School Programs	4,270	3,202	1,068	
Newsletters	1,939	1,454	485	
Signage	1,108	831	277	
Grand Opening/Parades/Display/Tours	6,599	698	233	5,668
Management Plan	2,413	1,810	603	
Promotional Items/Advertising	5,669	3,227	1,076	1,366
MCDA Dues	3,000	2,250	750	
Educational/Demonstration Projects	756	567	189	
	26,759	**14,793**	**4,932**	**7,034**
SOIL PROGRAMS				
Landowner Seed	55,900	24,950	24,950	4,000
Shelterbelt Programs	8,009	4,411	1,471	2,127
Forage Plot/District Seed	2,490	1,868	622	
Rotational Grazing/Twice Over Grazing	5,000	3,750	1,250	
Winter Cereals	7,853	2,890	963	4,000
Seeder Maintenance	266	199	67	
	79,518	**38,068**	**29,323**	**12,127**
BALANCE FORWARD	**247,804**	**148,148**	**66,017**	**33,639**

Bellas & Reid

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
SCHEDULE OF PROVINCIAL CONTRIBUTIONS
For the year ended 31st March 2002

BALANCE FORWARD	**247,804**	**148,148**	**66,017**	**33,639**
WILDLIFE				
Salinity Seed	5,903			5,903
	5,903			**5,903**
LANDOWNER PROGRAMS				
Abandoned Wells	12,536	6,596	2,199	3,741
Livestock Crossings	19,300	14,475	4,825	
Alternative Water System/Erosion Control	17,059	12,794	4,265	
Small Dams/Riparian Rehab	33,292	11,254	3,751	18,287
Maintenance	6,141	4,606	1,535	
Surveying Costs	20,089	15,066	5,023	
	108,417	**64,791**	**21,598**	**22,028**
SUBTOTAL	**362,124**	**212,939**	**87,615**	**61,570**
ASSETS PURCHASED				
Pipeline Plow/Office Equipment	12,294	6,221	2,073	4,000
	12,294	**6,221**	**2,073**	**4,000**
TOTAL EXPENDITURE	**374,418**	**219,160**	**89,688**	**65,570**

Bellas & Reid

WEST SOURIS RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2002

MEYERS NORRIS PENNY

WEST SOURIS RIVER CONSERVATION DISTRICT

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MARCH 31, 2002

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INTERNATIONAL

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
233 QUEEN ST. W., BOX 670, VIRDEN, MB R0M 2C0
PH. (204) 748-1340 FAX (204) 748-3294 www.mnp.ca

MEYERS NORRIS PENNY

MANAGEMENT'S RESPONSIBILITY

To the Board of Directors of West Souris River Conservation District:

Management has the responsibility for preparing the accompanying financial statements and ensuring that information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors is composed entirely of directors who are neither management nor employees of the organization.

External auditors are appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both management and the Board to discuss their audit findings.

Manager

Financial Administrator

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
233 QUEEN ST. W., BOX 670, VIRDEN, MB R0M 2C0
PH. (204) 748-1340 FAX (204) 748-3294 www.mnp.ca

MEYERS NORRIS PENNY LLP

The Members
West Souris River Conservation District

AUDITORS' REPORT

We have examined the statement of financial position of the West Souris River Conservation District as at March 31, 2002 and the statements of operations and related schedules for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The statement of operations has not combined the transactions of the bursary fund or other restricted funds with those of the Revenue fund. Had the statement of operations included the changes in net assets restricted for bursary purposes and the changes in other internally restricted net assets, the excess of expenses over revenues would have been $5,164 (2001, $8,192).

In our opinion, except that the statement of operations does not include the changes in internally restricted net assets or changes in net assets restricted for bursary purposes as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the district as at March 31, 2002 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP.

Chartered Accountants

June 4, 2002
Virden, Manitoba

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233 QUEEN ST. W., BOX 670, VIRDEN, MB R0M 2C0
PH. (204) 748-1340 FAX (204) 748-3294 www.mnp.ca

WEST SOURIS RIVER CONSERVATION DISTRICT

STATEMENT 1

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2002

	2001	2002
ASSETS		
CURRENT		
Cash	38,131	34,205
Accounts receivable (Note 3)	7,079	26,279
Inventory	2,864	1,514
Prepaid expenses	12,947	6,474
	61,021	68,472
CASH - RESTRICTED	23,430	23,544
CAPITAL ASSETS (Note 4)	171,308	211,774
OTHER		
Patronage equity account	1,220	1,305
	256,979	305,095
LIABILITIES		
CURRENT		
Accounts payable and accruals	17,065	58,201
Deferred revenue	63,769	25,854
Current portion of long-term debt	4,285	4,612
	85,119	88,667
LONG-TERM DEBT (Note 5)	96,734	92,122
NET ASSETS		
UNRESTRICTED NET ASSETS (NOTE 6)		
Balance - Beginning of year	27,281	18,976
Excess of expenses over revenues	8,305	5,278
Balance - End of year	18,976	13,698
Donated capital assets	-	54,344
	18,976	68,042
INTERNALLY RESTRICTED NET ASSETS (Note 7)	32,720	32,720
NET ASSETS RESTRICTED FOR BURSARY PURPOSES (Note 8)	23,430	23,544
	256,979	305,095

ON BEHALF OF THE BOARD:

..... DIRECTOR

..... DIRECTOR

WEST SOURIS RIVER CONSERVATION DISTRICT

STATEMENT 2

STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2002

	2001	2002
REVENUES		
Grants (Note 9)	248,951	290,214
Municipal Levies (Note 10)	41,320	41,300
Programs	120,895	110,849
Employment projects	1,935	2,270
Equipment rental	12,988	12,595
Interest and patronage allocations	2,707	1,217
Other	14,912	13,153
TOTAL REVENUES	443,708	471,598
EXPENSES		
General and administration	-	368
Bad debts	1,502	1,664
Heat, light and water	3,790	5,280
Insurance and licences	308	18
Interest and bank charges	9,622	7,703
Interest - long-term	1,500	3,000
Memberships	23,433	10,832
Office	1,218	860
Professional fees	-	509
Property taxes	5,407	6,227
Telephone	81,998	74,955
Wages and employee benefits	128,778	111,416
Program delivery costs	5,404	9,276
Advertising	23,046	28,842
Amortization	5,484	6,272
Board remuneration	11,528	11,528
Equipment lease	12,970	8,915
Equipment maintenance	101,095	70,614
Forage Program	14,947	5,575
Public education - general	933	1,202
- other	1,304	317
Repairs and maintenance	3,151	10,130
Seminar and conferences	-	3,599
Shelterbelts and salinity program	-	260
Staff expenses	10,196	9,080
Truck	-	32,749
Wages and employee benefits	127,079	166,966
Sub-district programs (Schedule 1)	317,137	365,325
TOTAL EXPENSES	445,915	476,741
LOSS FROM OPERATIONS	2,207	5,143
OTHER INCOME (EXPENSE)		
Bad debts recovered	131	-
Loss on disposal of capital assets	(6,229)	(135)
	(6,098)	(135)
EXCESS OF EXPENSES OVER REVENUES	8,305	5,278

MNP

WEST SOURIS RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2002

NOTE 1 - OPERATIONS

The West Souris River Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes under the *Income Tax Act*.

NOTE 2 - ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles except that a summary statement combining the operations of the Revenue fund, the Bursary fund and the restricted funds has not been provided and recommended terminology by the Canadian Institute of Chartered Accountants Handbook has not been adopted. Significant accounting policies include the following:

REVENUE RECOGNITION

West Souris River Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

CAPITAL ASSETS

Capital assets are recorded at cost. Donated equipment is recorded at estimated fair market value. Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Building	straight-line	5%
Equipment - self-propelled	straight-line	15%
- pull-type	straight-line	10%
- office	straight-line	10%

CAPITAL ASSET GRANTS

Claims for assistance under various capital asset grant programs are reflected as revenue in the period in which eligible expenses are incurred.

WEST SOURIS RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2002

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

NOTE 3 - ACCOUNTS RECEIVABLE

	2001	2002
Trade accounts	3,279	20,176
Province of Manitoba (Schedule 3)	3,285	1,265
Other	515	4,838
	7,079	26,279

NOTE 4 - CAPITAL ASSETS

	2001	2002		
	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Building	116,660	129,338	19,144	110,194
Equipment - self-propelled	11,791	63,533	57,649	5,884
- pull-type	19,384	94,097	23,834	70,263
- office	23,473	46,861	21,428	25,433
	171,308	333,829	122,055	211,774

NOTE 5 - LONG-TERM DEBT

	2001	2002
Debenture payable in annual instalments of $11,987 including interest at 7.625%, secured by land and building having a net book value of $105,608 ($111,820 in 2001), due December 1, 2014.	101,019	96,734
Less: Current portion	4,285	4,612
	96,734	92,122

Principal repayments are estimated as follows:

2003	4,612
2004	4,963
2005	5,342
2006	5,749
2007	6,188

NOTE 6 - UNRESTRICTED NET ASSETS

The unrestricted net assets are the total assets and liabilities of the Revenue Fund. These net assets include working capital, equipment and respective long-term debt.

	2001	2002
Operating deficit	(51,313)	(56,591)
Equity in capital assets	70,289	124,633
	18,976	68,042

During the year, a donation was received for Oak Lake of aeration equipment valued at $54,344.

NOTE 7 - INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are derived from the donation of equipment to the conservation district from a previous organization.

	2001	2002
Board equity	32,720	32,720

NOTE 8 - NET ASSETS RESTRICTED FOR BURSARY PURPOSES

	2001	2002
Balance - Beginning of year	23,317	23,430
Add: Interest	1,113	1,114
	24,430	24,544
Less: Scholarships paid	(1,000)	(1,000)
Balance - End of year	23,430	23,544

The principal portion of the bursary is restricted, only interest earned on the principal amount can be paid out as bursaries.

WEST SOURIS RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2002

NOTE 9 - GRANTS

	2001	2002
Action 21 - Grazing Project	637	-
Agricultural Sustainability Program	1,875	1,193
Ducks Unlimited	8,950	32,271
Fisheries Enhancement Grant	11,098	21,365
Interprovincial Pipeline Inc.	1,458	-
Manitoba Hydro	3,000	2,756
Municipal Building Grants	21,693	-
Province of Manitoba – Rural Development	200,240	197,980
Province of Manitoba – Water Services Board	-	944
Rural Water Development Program	-	18,505
Sustainable Development Innovations Fund	-	15,200
	248,951	290,214

NOTE 10 - MUNICIPAL LEVIES

	2001	2002
R.M. of Albert	6,570	6,565
R.M. of Cameron	9,080	9,070
R.M. of Edward	7,150	7,155
R.M. of Pipestone	11,900	11,900
R.M. of Sifton	6,620	6,610
	41,320	41,300

NOTE 11 - FUNDS HELD IN TRUST

Funds held in trust and administered by the West Souris River Conservation District are as follows:

	2001	2002
Grazing Project	801	801

NOTE 12 - COMMITMENTS

The Conservation District has entered into various lease agreements with estimated minimum annual payments as follows:

2003	7,374
2004	2,319
2005	419
2006	419
2007	419

MNP

NOTE 13 - FINANCIAL INSTRUMENT

The Conservation District, as part of its operations, carries a number of financial instruments. It is management's opinion that the conservation district is not exposed to significant interest, currency or credit risks arising from these financial instruments.

NOTE 14 - STATEMENT OF CASH FLOW

The statement of cash flow has not been provided as it would not provide additional meaningful information.

NOTE 15 – INCOME TAXES

The organization is registered as a charitable organization under the *Income Tax Act* (the "*Act*") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the *Act*, the West Souris River Conservation District must meet certain requirements within the *Act*. In the opinion of management, these requirements have been met.

NOTE 16 – COMPARATIVE FIGURES

Certain of prior year's figures have been reclassified to conform with the current year's presentation.

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 1

SCHEDULE OF EXPENSES - SUB-DISTRICT PROGRAMS
YEAR ENDED MARCH 31, 2002

	2002								2001
	Plum Creek	Stoney Creek	Jackson Creek	Gainsborough/ S. Antler	N. Pipestone/ Sifton	Central Souris River	Elgin Creek	Total	
Soil projects	4,934	3,253	1,128	2,053	1,003	2,128	928	15,427	40,635
Urban Tree projects	8,332	-	-	-	-	-	-	8,332	-
Water projects	39,616	6,955	12,031	18,792	3,957	12,934	1,949	96,234	70,323
Wildlife projects	10,003	17,072	7,372	6,872	-	950	-	42,269	9,589
Recreation projects	-	-	-	-	-	-	-	-	6,130
Grazing projects	1,297	336	-	-	-	-	-	1,633	402
Education projects	3,071	-	-	-	-	-	-	3,071	-
	67,253	27,616	20,531	27,717	4,960	16,012	2,877	166,966	127,079

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 2

SCHEDULE OF COST SHARING
MARCH 31, 2002

	Total Expenditures	External	Provincial	Local
PROGRAM MANAGEMENT				
General	207,390	23,406	116,255	67,729
WATER PROGRAMS	96,233	49,542	34,202	12,489
WILDLIFE	41,993	38,465	2,271	1,257
SOILS	86,322	2,100	10,811	73,411
PUBLIC EDUCATION	40,586	16,989	17,698	5,899
TOTAL	472,524	130,502	181,237	160,785
ASSETS				
Office equipment/furnishings	3,725	536	2,392	797
Project support equipment	12,274	5,127	5,360	1,787
Office building	11,988		8,991	2,997
	500,511	136,165	197,980	166,366

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 3

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
MARCH 31, 2002

PROVINCIAL GRANT, 2001 - 2002	200,000
LESS, 2000 - 2001 Provincial Grant Receivable	3,285
	196,715
LESS, 2000 - 2001 Allocated Grant (Schedule 2)	197,980
PROVINCIAL GRANT RECEIVABLE, 2001 - 2002	1,265

WHITEMUD WATERSHED CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2002

MEYERS NORRIS PENNY LLP

The Members of the Board
Whitemud Watershed Conservation District

AUDITORS' REPORT

We have audited the balance sheet of Whitemud Watershed Conservation District as at March 31, 2002 and the statements of operations and surplus for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles

Meyers Norris Penny LLP

Brandon, Manitoba
May 2, 2002

Chartered Accountants

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CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
1401 PRINCESS AVE., BRANDON, MB R7A 7L7
1-800-446-0890 PH. (204) 727-0661 FAX (204) 726-1543 www.mnp.ca

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 1

BALANCE SHEET
MARCH 31, 2002

	2001	2002
ASSETS		
CURRENT		
Cash	405,131	281,926
Accounts receivable	502,414	800,000
Inventory	48,748	50,574
Prepaid expenses	18,572	2,395
	974,865	1,134,895
CAPITAL ASSETS (Note 3)	175,742	147,297
	1,150,607	1,282,192
LIABILITIES AND SURPLUS		
CURRENT		
Accounts payable	47,319	3,937
Unearned outside funding	54,120	16,028
Unearned municipal levies	49	-
	101,488	19,965
WATERSHED PROGRAMS SURPLUS		
Sub-district program	142,488	50,188
General board program	31,135	27,718
Equipment program	147,285	164,169
Inventory program	23,793	23,097
Rosedale farm program	528	-
PR/PTH crossing reserve	470,488	626,545
CMRM Ltd. in trust	30,000	30,887
Emergency reserve	30,000	30,000
Sick leave reserve	22,152	22,881
Infrastructure program	150,000	285,432
U-Count reserve	1,250	1,310
	1,049,119	1,262,227
	1,150,607	1,282,192

ON BEHALF OF THE BOARD:

..... DIRECTOR

..... DIRECTOR

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 2

STATEMENT OF OPERATIONS AND SURPLUS
SUB-DISTRICT PROGRAM
YEAR ENDED MARCH 31, 2002

	Willowbend Creek #35	Westbourne Drain #36	Squirrel Creek #37	Pine Creek #38
REVENUE				
Municipal levies	18,016	23,127	18,293	21,594
Province of Manitoba	55,785	34,324	16,387	22,055
Flood assistance	8,067	6,083	7,563	838
SCIF revenue	10,758	3,910	8,513	8,455
	92,626	67,444	50,756	52,942
EXPENDITURES				
Channel maintenance	39,060	6,937	5,654	675
Silt removal	17,461	25,956	10,322	20,776
Vegetation control	709	-	-	1,661
Miscellaneous				
Crossings	3,651	3,656	4,551	6,308
Repairs	(2,016)	(1,046)	(5,054)	(4,750)
Replacements	14,344	5,214	11,351	11,273
Special crossing infrastructure fund				
Water storage	50	50	-	-
Projects	1,715	1,421	795	653
Goods and services tax	11,495	10,216	10,518	1,244
Flood repairs	6,527	4,658	2,626	3,678
Superintendent's salary and expenses	3,795	-	-	-
Property tax adjustments and interest	-	30,000	10,000	22,917
Infrastructure reserve	96,791	87,062	50,763	64,435
EXCESS OF EXPENDITURES OVER REVENUE	4,165	19,618	7	11,493
SURPLUS, BEGINNING OF YEAR	4,885	29,960	12,229	11,808
SURPLUS, END OF YEAR	720	10,342	12,222	315

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 3

STATEMENT OF OPERATIONS AND SURPLUS
SUB-DISTRICT PROGRAM (CONTINUED)
YEAR ENDED MARCH 31, 2002

	Central Whitemud #39	Upper Whitemud #40	Big Grass Marsh #42	Big Grass River #43
REVENUE				
Municipal levies	21,408	7,518	35,853	53,480
Province of Manitoba	79,035	40,839	60,164	103,172
Grants	3,489	2,607	-	-
Flood assistance	2,036	-	12,667	27,218
SCIF revenue	4,972	738	12,510	25,143
	110,940	51,702	121,194	209,013
EXPENDITURES				
Channel maintenance	27,354	25,296	-	-
Grassed waterways	17,765	-	43,113	53,752
Silt removal	43,858	18,504	19,313	38,938
Vegetation control	293	500	379	6,095
Miscellaneous				
Crossings	5,002	311	5,887	16,875
Repairs	(2,611)	-	(5,523)	(7,033)
Replacements	6,629	984	16,681	33,523
Special crossing infrastructure fund				
Water storage	-	1,032	-	1,208
Projects	2,254	1,178	2,446	4,391
Goods and services tax	4,498	1,170	16,736	38,556
Flood repairs	9,001	6,459	10,535	12,001
Superintendent's salary and expenses	6,300	12,000	14,549	39,667
Infrastructure reserve	120,343	67,434	124,116	237,973
EXCESS OF EXPENDITURES OVER REVENUE	9,403	15,732	2,922	28,960
SURPLUS, BEGINNING OF YEAR	6,655	21,798	20,680	34,473
SURPLUS (DEFICIT), END OF YEAR	(2,748)	6,066	17,758	5,513

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 4

STATEMENT OF OPERATIONS AND SURPLUS
SUB-DISTRICT PROGRAM (CONTINUED)
YEAR ENDED MARCH 31, 2002

	2001	2002
REVENUE		
Municipal levies	189,015	199,289
Province of Manitoba	366,701	411,761
Grants	799	6,096
Flood assistance	-	64,472
SCIF revenue	-	74,999
	556,515	756,617
EXPENDITURES		
Channel maintenance	5,328	52,650
Grassed waterways	84,176	166,956
Silt removal	158,060	195,128
Vegetation control	9,529	9,637
Miscellaneous		
Crossings	58,531	46,241
Repairs	131,071	(28,033)
Replacements	-	99,999
Special crossing infrastructure fund		
Water storage	-	2,340
Projects	1,280	-
Maintenance	10,110	14,853
Goods and services tax	-	94,433
Flood repairs	-	55,485
Superintendent's salary and expenses	849	3,795
Property tax adjustments and interest	30,000	135,433
Infrastructure reserve	488,934	848,917
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	67,581	(92,300)
SURPLUS, BEGINNING OF YEAR	74,907	142,488
SURPLUS, END OF YEAR	142,488	50,188

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 5

STATEMENT OF OPERATIONS AND SURPLUS
GENERAL BOARD PROGRAM
YEAR ENDED MARCH 31, 2002

	2001	2002
REVENUE		
Province of Manitoba	285,247	257,983
Municipal levy	53,000	40,000
Interest earned	17,777	26,195
Co-op equity	25	88
Miscellaneous	-	11
Individual contributions	4,968	2,373
Special project funding	32,455	60,476
Federal/provincial grants	2,700	2,127
Forage program - landowner share	79,321	50,939
Transfer from equipment program	8,987	390
Transfer from Rosedale Farm program	-	7,313
	484,480	447,895
EXPENDITURES		
Administration	45,291	42,091
Manager's salary	5,562	5,782
Manager's expenses	26,156	28,524
Secretary - treasurer and secretary salaries	42,009	-
Superintendent's salary	11,947	-
Superintendent's expenses	1,900	1,900
Professional fees	16,172	18,772
Rent	15,901	20,161
Office supplies	433	1,157
Insurance	6,123	5,520
Amortization	3,253	3,045
Goods and services tax	174,747	126,952
Specific programs	149	2,608
Conservation corridors	142	-
Demonstrations	105,762	67,919
Forage crops	128	13,270
Riparian	15,260	11,264
Shelterbelts	22,891	32,415
Shelterbelt weed control	9,332	12,724
Summer students	14,401	12,327
Wildlands	29,095	22,134
Public education	40,817	40,788
Soils tech salary and expenses	29,758	51,591
Special project funding	38,931	44,068
Board members remuneration and expenses	1,488	2,030
Small tools	-	11,222
Drainage pilot project	308,154	324,360
	482,901	451,312
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,579	(3,417)
SURPLUS, BEGINNING OF YEAR	29,556	31,135
SURPLUS, END OF YEAR	31,135	27,718

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WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 6

STATEMENT OF OPERATIONS AND SURPLUS
EQUIPMENT PROGRAM
YEAR ENDED MARCH 31, 2002

	2001	2002
REVENUE		
Rentals	76,684	82,938
Gain on disposal of equipment	22,699	600
	99,383	83,538
EXPENDITURES		
Fuel and oil	14,688	16,489
Repairs and maintenance	20,820	16,987
Insurance and licences	3,125	3,662
Amortization	28,083	25,512
Salaries	4,766	2,723
Goods and services tax	989	891
Transfer to general board program	8,987	390
	81,458	66,654
EXCESS OF REVENUE OVER EXPENDITURES	17,925	16,884
SURPLUS, BEGINNING OF YEAR	129,360	147,285
SURPLUS, END OF YEAR	147,285	164,169

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 7

STATEMENT OF OPERATIONS AND SURPLUS
INVENTORY PROGRAM
YEAR ENDED MARCH 31, 2002

	2001	2002
REVENUE		
Sales	27,807	28,223
COST OF SALES		
Inventory, beginning of year	51,036	48,748
Purchases	20,781	25,900
	71,817	74,648
Inventory, end of year	48,748	50,574
	23,069	24,074
GROSS PROFIT	4,738	4,149
EXPENDITURES		
Amortization	161	161
Insurance	140	261
Goods and services tax	55	47
Salaries	3,146	2,292
Yard maintenance	2,264	2,084
	5,766	4,845
EXCESS OF EXPENDITURES OVER REVENUE	1,028	696
SURPLUS, BEGINNING OF YEAR	24,821	23,793
SURPLUS, END OF YEAR	23,793	23,097

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 8

STATEMENT OF OPERATIONS AND SURPLUS
ROSEDALE FARM PROGRAM
YEAR ENDED MARCH 31, 2002

	2001	2002
REVENUE		
Forage sales	12,800	16,328
Crop share	2,011	3,267
Patronage	15	318
	14,826	19,913
EXPENDITURES		
Fertilizer and rotovating	6,511	5,472
Miscellaneous	-	248
Harvesting	6,552	7,408
Transfer to general board program	-	7,313
	13,063	20,441
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,763	(528)
SURPLUS (DEFICIT), BEGINNING OF YEAR	(1,235)	528
SURPLUS, END OF YEAR	528	-

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 9

STATEMENT OF OPERATIONS AND SURPLUS
PR/PTH CROSSING PROGRAM
YEAR ENDED MARCH 31, 2002

	2001	2002
REVENUE		
Intergovernmental Affairs grant	500,000	200,000
Interest earned	36,186	30,470
	536,186	230,470
EXPENDITURES		
Sub-district program #42	27,621	34,743
Sub-district program #43	38,077	39,670
	65,698	74,413
EXCESS OF REVENUE OVER EXPENDITURES	470,488	156,057
SURPLUS, BEGINNING OF YEAR	-	470,488
SURPLUS, END OF YEAR	470,488	626,545

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 10

STATEMENT OF OPERATIONS AND SURPLUS
CMRM LTD IN TRUST
YEAR ENDED MARCH 31, 2002

	2001	2002
REVENUE		
Special project funding	37,731	887
EXPENDITURES		
Special project funding	7,731	-
EXCESS OF REVENUE OVER EXPENDITURES	30,000	887
SURPLUS, BEGINNING OF YEAR	-	30,000
SURPLUS, END OF YEAR	30,000	30,887

WHITEMUD WATERSHED CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2002

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1. OPERATIONS

Whitemud Watershed Conservation District was established by an Order-in-Council of the Province of Manitoba on March 22, 1972. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the following method and rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

	Method	Rate
Building	straight line	5%
Fence	straight line	5%
Equipment	straight line	15%

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Amortization is based on the estimated useful lives of capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. CAPITAL ASSETS

	2001	2002		
	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	1,835	1,835	-	1,835
Building	8,359	27,644	19,928	7,716
Fence	-	5,339	5,339	-
Equipment	165,548	401,083	263,337	137,746
	175,742	435,901	288,604	147,297

4. LEASE COMMITMENT

The District occupies leased premises subject to a minimum annual rental of $16,657 until 2002.

5. SICK LEAVE RESERVE

The reserve has been established to recognize the accrual of sick leave of the employees. The employees accrue sick leave at the rate of one and one-quarter days per month employed. At March 31, 2002, the aggregate amount of possible claims was $68,803.

6. STATEMENT OF CASH FLOWS

The statement of cash flows has not been provided since it would not provide any additional information.

WHITEMUD WATERSHED CONSERVATION DISTRICT NO. 1

QUARTERLY REPORT
STATEMENT OF EXPENDITURES
2001-2002 PROGRAM SUMMARY AS OF MARCH 31, 2002

	Cost Share	Total Expenditures	%	Provincial	District Levy	District Other	External
ADMINISTRATION							
General	75/25/0	124,748		93,561	31,187	-	-
Other	0/100/0	2,204		-	2,204	-	-
		126,952	9.2%	93,561	33,391	-	-
ASSETS							
Office Equipment	75/25/0	2,748		2,061	687	-	-
Infrastructure Reserve Account	75/25/0	-	-	-	-	-	-
Infrastructure Reserve Account (S.D.)	0/100/0	135,432	-	-	135,432	-	-
		138,180	10.0%	2,061	136,119	-	-
PUBLIC EDUCATION							
General	75/25/0	24,925		18,694	5,922	309	-
Youth Employment	0/0/100	2,127		-	-	-	2,127
		27,052	2.0%	18,694	5,922	309	2,127
PROJECT SUPPORT							
Remuneration	75/25/0	44,068		33,051	-	11,017	-
Salaries & Expenses	75/25/0	63,072		47,304	13,872	1,896	-
Youth Employment	0/0/100	2,250		-	-	-	2,250
		109,390	7.9%	80,355	13,872	12,913	2,250
SOILS							
Soils Technician Salary & Expenses	75/25/0	40,788		30,591	-	10,197	-
Shelterbelt/Gully/Riparian/Soils Demo	75/25/0	50,313		37,735	-	12,578	-
Forage Assistance	25/75/0	67,919		16,980	-	50,939	-
MHHC Funding	0/0/100	6,635		-	-	-	6,635
		165,655	12.0%	85,306	-	73,714	6,635
WILDLIFE/FISHERIES							
Wildlife Programs/Conservation Corridors	75/25/0	14,936		11,202	-	3,734	-
FEI, BPAS, RMBR Funding	0/0/100	51,591		-	-	-	51,591
		66,527	4.8%	11,202	-	3,734	51,591
WATER							
Maintenance	75/25/0	424,371		318,278	106,093	-	-
New Projects/Reconstruction	75/25/0	2,340		1,755	585	-	-
		426,711	31.0%	320,033	106,678	-	-
CROSSINGS							
Repairs	75/25/0	18,207		13,655	4,552	-	-
Replacements	0/25/75	-		-	-	-	-
Special Crossing Infrastructure Fund	0/25/75	100,000		-	25,000	-	75,000
PR/PTH Crossing Funding	0/0/100	74,413		-	-	-	74,413
		192,620	14.0%	13,655	29,552	-	149,413
OTHER							
GST / Tax Adj & Int	75/25/0	18,649		13,987	4,662	-	-
CMRM Ltd	0/0/100	-		-	-	-	-
Drainage Pilot Project	75/25/0	11,223		8,417	-	2,806	-
Flood Expenses	75/25/0	29,961		22,471	7,490	-	-
Flood Expenses (EMO)	0/0/100	64,471		-	-	-	64,471
Big Grass Marsh Management Plan	75/25/0	-		-	-	-	-
		124,304	9.0%	44,875	12,152	2,806	64,471
TOTAL		1,377,391	100.0%	669,742	337,686	93,476	276,487
				49%	25%	7%	20%

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE

LESS, 2000-2001 Provincial Grant Receivable		494
PROVINCIAL GRANT, 2001-2002		670,000
		669,506
LESS, 2001-2002 Allocated Grant		669,742
PROVINCIAL GRANT REMAINING/OVERSPENT	-	236

2001 MUNICIPAL LEVY - $239,288